RV BUSINESS

FROM THE EDITORS OF TL ENTERPRISES

NOVEMBER 1983 $2.00

11/28/83
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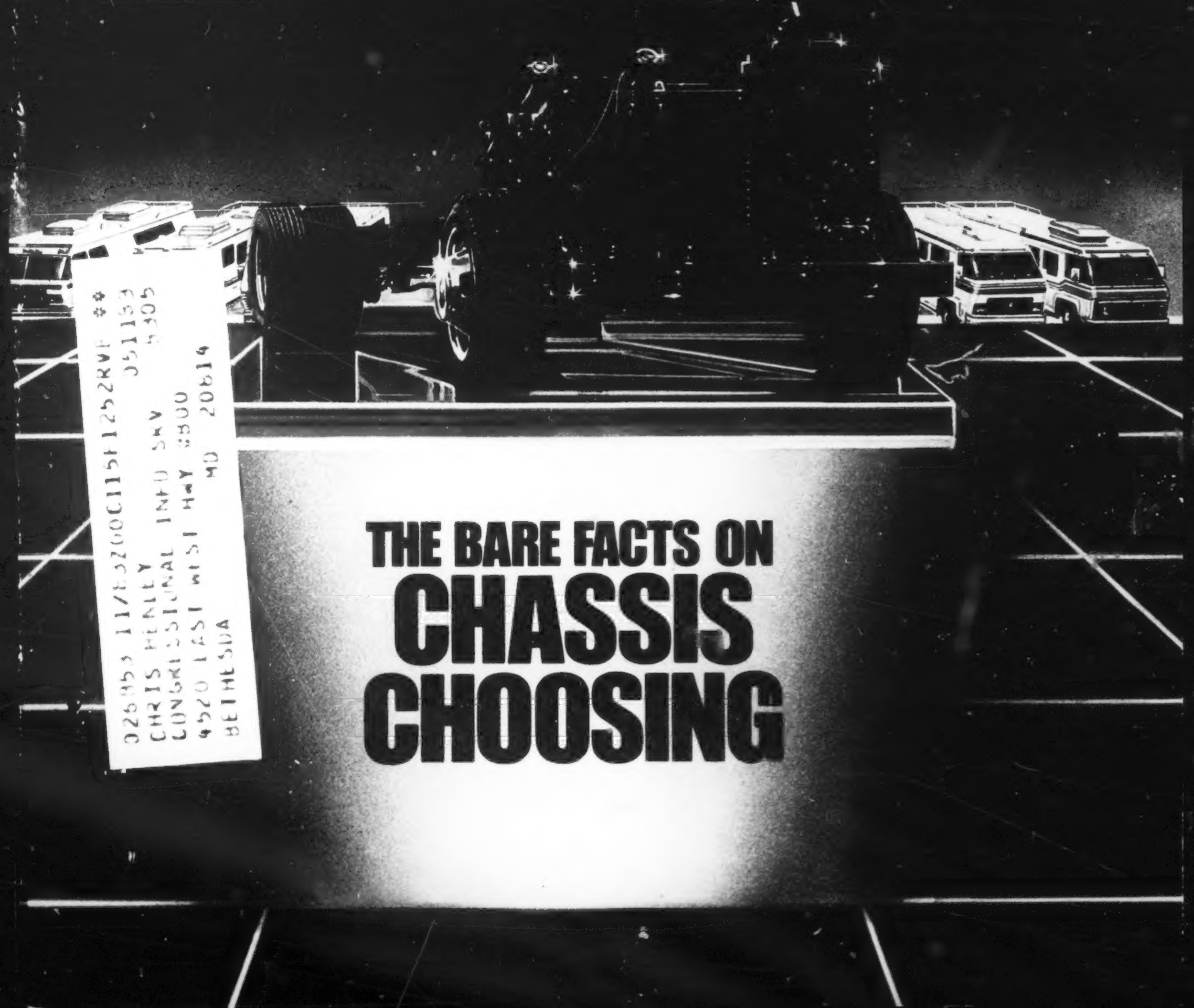
Tow Vehicles: 1984... And Beyond

Two-way Street Of Franchises

Viewing The European RV

Complete Louisville Show Section



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BETHESDA MD 20814

THE BARE FACTS ON CHASSIS CHOOSING

RV BUSINESS

A TL ENTERPRISES PUBLICATION

NOVEMBER 1983/VOL. 34, NO. 8

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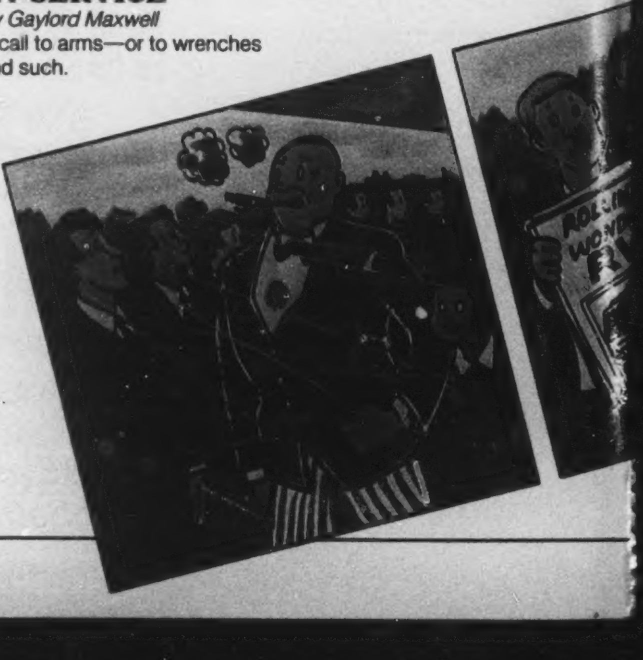

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ON THE COVER: Illustration by Hector Cademartori.

PERSPECTIVE

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

Summer is winding down, but RV sales aren't. In August of this year, sales were up even more strongly than the average for the year-to-date. In dollars and in units, the figures are impressive. In terms of profits, the picture is still good although close-outs have generally brought down ratings a notch. However, a few dealers in each type indicate that their profits are still excellent, and a few indicate a drop from good to fair.

Used units are still moving well—particularly motorhomes. Profits have fallen a bit—from an overwhelming excellent to a mixed excellent to good.

SALES VOLUME		
For Month	This year $ 8,504,738	+64%
	Last year $ 5,185,441	
Year to Date	This year $61,513,474	+48%
	Last year $41,616,428	

TOTAL UNIT SALES		
For Month	This year 689	+23%
	Last year 561	
Year to Date	This year 5062	+21%
	Last year 4175	

NEW UNIT SALES		
For Month	This year 446	+30%
	Last year 344	
Year to Date	This year 3295	+27%
	Last year 2586	

USED UNIT SALES		
For Month	This year 243	+12%
	Last year 217	
Year to Date	This year 1767	+11%
	Last year 1589	

MOTORHOMES

Sales of new units in August very nearly doubled those of last year. The already tremendous 74% rate of increase over the previous year jumped 14 percentage points for the month. The demand for motorhomes is picking up along with the economy.

The sale of used motorhomes jumped enormously during August for some unexplained reason. A better supply would help the market considerably. Prices in many areas are running well over book.

NEW	For Month	This year 115	+88%
		Last year 61	
	Year to Date	This year 841	+74%
		Last year 483	
USED	For Month	This year 97	+52%
		Last year 64	
	Year to Date	This year 600	+12%
		Last year 538	

TRAVEL TRAILERS

There's no explanation for August's very slight drop of new unit sales of this type. Year-to-date, the figure is still reasonably good. Perhaps the unreasonably hot weather in much of the country held back families. Vacationing in temperatures exceeding 100 degrees F. isn't as appealing as vacationing when it's 80 degrees!

Although there doesn't seem to be a trend, some dealers are reporting an excess of used trailers.

NEW	For Month	This year 114	- 1%
		Last year 115	
	Year to Date	This year 824	+22%
		Last year 677	
USED	For Month	This year 84	- 15%
		Last year 99	
	Year to Date	This year 682	+17%
		Last year 582	

CAMPING TRAILERS

This type hasn't enjoyed a fantastic increase in sales this year, but it took a nice jump in August. Most dealers tried to move their remaining stock by cutting prices; it worked.

Used units haven't done well this year. Part of the problem is that many dealers don't give much for trades, so private parties sell to other private parties. Dealers would do well to give this RV type a fair chance.

NEW	For Month	This year 169	+33%
		Last year 127	
	Year to Date	This year 1268	+11%
		Last year 1139	
USED	For Month	This year 31	- 9%
		Last year 34	
	Year to Date	This year 254	- 10%
		Last year 283	

TRUCK CAMPERS

The unit figures aren't great, but the 50% increase in new camper sales for the month is impressive. It's slow, but this RV type is making a comeback. Part of the sales problem for campers has been that dealers don't offer them. Two members of the Dealer Advisory Board added them this year and are doing reasonably well.

NEW	For Month	This year 24	+50%
		Last year 16	
	Year to Date	This year 136	+13%
		Last year 120	
USED	For Month	This year 18	+20%
		Last year 15	
	Year to Date	This year 146	+ 7%
		Last year 136	

FIFTH-WHEELS

For the first time this year, new units dropped from the previous year. A drop of one isn't much, but after the very impressive record we've been seeing for the past year and a half, it's a bit surprising. However, the year-to-date increase of 35% generally speaks well for fivers. Δ

NEW	For Month	This year 24	- 4%
		Last year 25	
	Year to Date	This year 226	+35%
		Last year 167	
USED	For Month	This year 13	+160%
		Last year 5	
	Year to Date	This year 85	+70%
		Last year 50	

SHIPMENTS

AFTERMARKET

CATEGORY	NO. UNITS SOLD
Antenna	1049
Auxiliary Battery	50
Awning	1322
Battery Isolator	756
Fluorescent Lights	1221
Generator	39
Portable Barbecue	52
Portable Toilets	788
Roof Air-Conditioner	1021
Smoke Detector	33
Tire Carrier	774
Tire Pressure Gauge	22
Toilet Chemicals	19,618
Trailer Jacks	1497
Vacuum Cleaner	3

In addition to the charted figures, the two other most frequently reported aftermarket items for the month of August '83 were 3M connectors (4500) and sewer hoses (3597). Other items included vents (500), fans (332), hitches (258), storage pods (215), horn buttons (200), and steps (59).

RVB is interested in making the Aftermarket figures work for you. Share your ideas with us as to how we can improve this service. Write to *RV Business*, 29901 Agoura Road, Agoura, California 91301.

RVIA, AUGUST

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during August 1983 was 30,300, up 37.1% from August of 1982.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in August 1983		August 1982	Percent Change	Cumulative 1983	Cumulative 1982	Percent Change
TRAVEL TRAILERS	5500	4100	+34.1%	52,200	38,700	+34.9%
FIFTH-WHEELS	1500	1000	+50.0%	12,100	8100	+49.4%
TRUCK CAMPERS	800	500	+60.0%	5300	4300	+23.3%
MULTI-USE VEHICLES	12,900	10,900	+18.3%	105,800	75,800	+39.6%
TYPE A: MOTOR-HOMES	3100	1700	+82.3%	21,700	13,100	+65.6%
TYPE B: VAN CAMPERS	200	300	-33.3%	3400	3000	+13.3%
TYPE C: MINI MOTOR-HOMES	3200	1600	+100.0%	21,200	13,100	+61.8%
FOLDING CAMPING TRAILERS	3100	2000	+55.0%	27,100	24,600	+10.2%
TOTALS	30,300	22,100	+37.1%	248,800	180,700	+37.7%

RV BUSINESS

FROM THE EDITORS OF TL ENTERPRISES

DECEMBER 1983 $2.00

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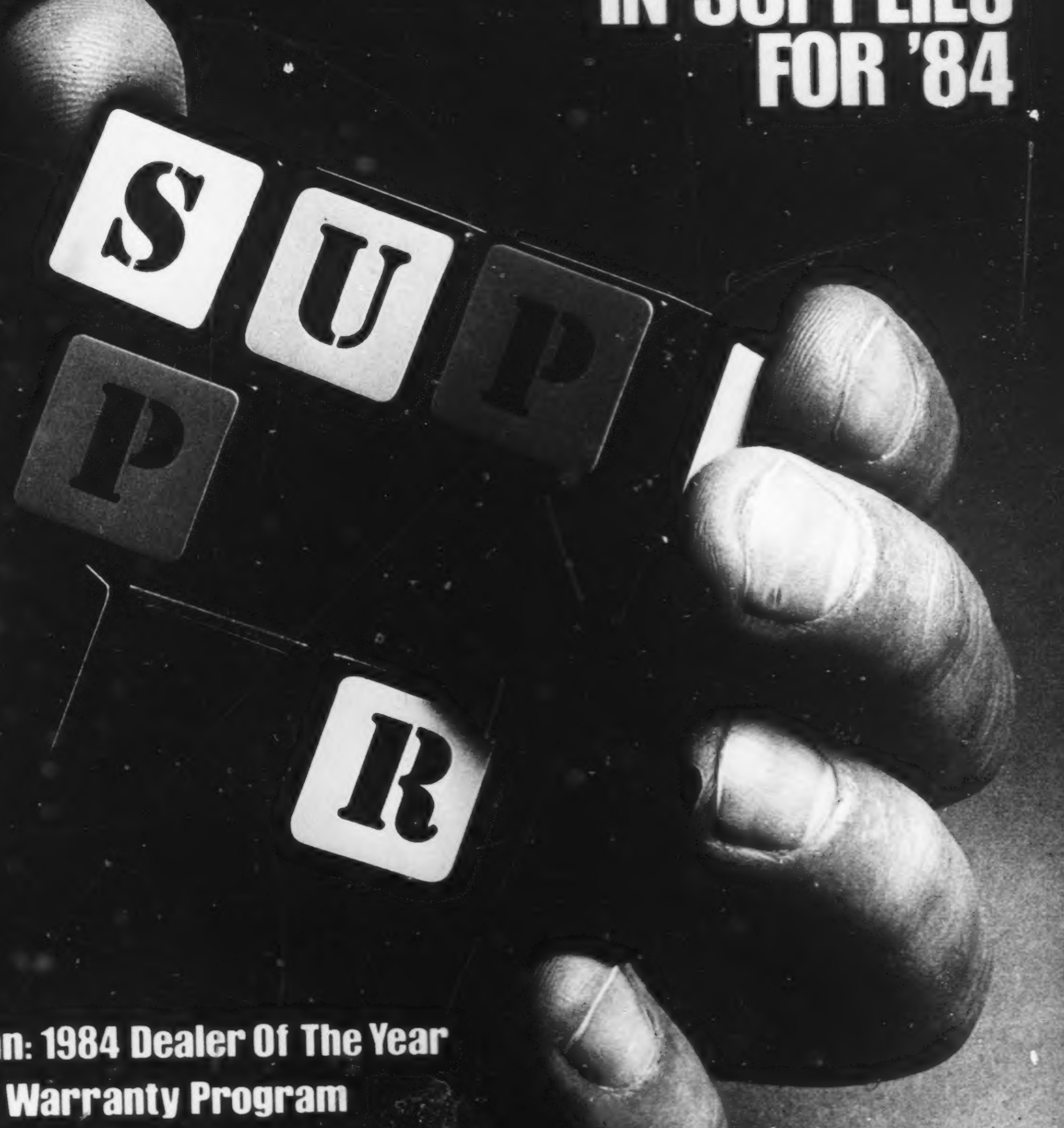
THE NEW TWISTS IN SUPPLIES FOR '84



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Charles Dolan: 1984 Dealer Of The Year

Setting Up A Warranty Program

Think You Know The RV Industry? See Page 109

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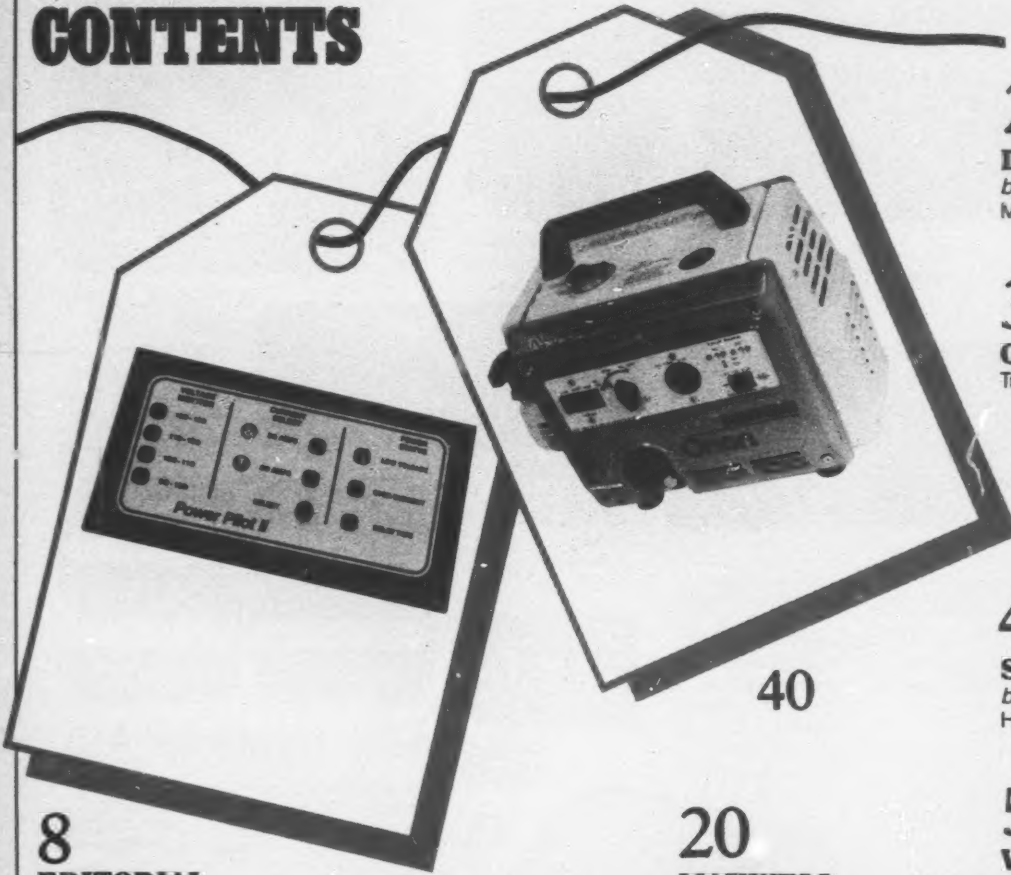

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ON THE COVER: Supplier companies seem to be even more innovative than usual this year. As a result, the items available to the RV industry have new twists and turns. Our special feature examines the trend in RV supplies, with an overview of representative products starting on page 40. Photo by Hal Hunt.

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PERSPECTIVE

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

Reports from RVB's Dealer Advisory Board (DAB) show that retail sales diminished little during the final weeks of summer and the beginning of autumn. In fact, the number of units sold in September exceeded the total for August. The upswing that has been characteristic of the RV industry for the past year shows no sign of abating. In both dollars and units, September '83 was considerably better than the corresponding month in 1982. With the exception of used camping trailers, all categories are up. Used prices seem to be down somewhat, but they're still good. Some dealers are reporting excess used merchandise that they're willing to wholesale.

As might be expected at this time of the year when dealers are trying to reduce inventories to make room for new models, profits have dropped. Fewer dealers report excellent grosses for September. However, there were few who called them poor.

SALES VOLUME		
For Month	This year $ 6,918,658	+55%
	Last year $ 4,455,404	
Year to Date	This year $68,337,388	+49%
	Last year $45,872,619	

TOTAL UNIT SALES		
For Month	This year 535	+40%
	Last year 385	
Year to Date	This year 5619	+24%
	Last year 4516	

NEW UNIT SALES		
For Month	This year 322	+52%
	Last year 212	
Year to Date	This year 3629	+31%
	Last year 2788	

USED UNIT SALES		
For Month	This year 213	+23%
	Last year 173	
Year to Date	This year 1990	+15%
	Last year 1728	

MOTORHOMES

NEW	For Month	This year 93	+111%
		Last year 44	
	Year to Date	This year 933	+77%
		Last year 527	
USED	For Month	This year 72	+7%
		Last year 67	
	Year to Date	This year 671	+11%
		Last year 604	

Sales this September more than doubled last year's; coupled with a 77% increase for the year-to-date, it makes this RV type the front-runner in a real boom year. All indications are that the demand will continue.

The only dark cloud on the motorhome horizon is the number of people who are getting on the bandwagon. Business could get bloody very soon, and grosses might get too low for some dealerships.

TRUCK CAMPERS

NEW	For Month	This year 10	+25%
		Last year 8	
	Year to Date	This year 145	+19%
		Last year 122	
USED	For Month	This year 14	+56%
		Last year 9	
	Year to Date	This year 163	+12%
		Last year 146	

Unit numbers aren't very impressive, but the percentages are good. The larger camper dealers are still selling, but department stores with small camper inventories have gone flat.

CAMPING TRAILERS

NEW	For Month	This year 108	+64%
		Last year 72	
	Year to Date	This year 1371	+21%
		Last year 1137	
USED	For Month	This year 25	- 7%
		Last year 27	
	Year to Date	This year 278	- 2%
		Last year 285	

The season ended with a grand upsurge of new unit sales. The 64% upswing is the greatest monthly increase for the year. Good news.

The bad news is that profits were considerably off. The poor column got more votes this month than for any other month this year. Dealers didn't want to carry them over.

TRAVEL TRAILERS

NEW	For Month	This year 83	+26%
		Last year 66	
	Year to Date	This year 928	+18%
		Last year 788	
USED	For Month	This year 90	+41%
		Last year 64	
	Year to Date	This year 788	+24%
		Last year 635	

The strong upturn in trailers that began about midsummer continues. Apparently, the brighter economic picture is bringing families to dealers' lots.

Used units aren't faring as well in some areas, although overall sales haven't been bad. Profits have weakened on new units as old models are closed out.

FIFTH-WHEELS

NEW	For Month	This year 28	+27%
		Last year 22	
	Year to Date	This year 252	+18%
		Last year 214	
USED	For Month	This year 12	+100%
		Last year 6	
	Year to Date	This year 90	+55%
		Last year 58	

This type is still going strong although the market has apparently flattened out a bit. Snowbirds should be buying the new models in the next few weeks. The demand for used units is quite strong, but the supply is not great. Profits are rated good to excellent.∆

SHIPMENTS

RVIA, SEPTEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during September 1983 was 28,400, up 52.7% from September of 1982.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in Sept. 1983		Sept. 1982	Percent Change	Cumu lative 1983	Cumu-lative 1982	Percent Change
TRAVEL TRAILERS	5800	4000	+45.0%	58,000	42,700	+35.8%
FIFTH-WHEELS	1700	1100	+55.0%	13,800	9,200	+50.0%
TRUCK CAMPERS	600	300	+100.0%	5900	4600	+28.3%
MULTI-USE VEHICLES	11,400	7900	+ 44.3%	117,200	83,700	+40.0%
TYPE A: MOTOR-HOMES	3000	1500	+100.0%	24,700	14,600	+69.2%
TYPE B: VAN CAMPERS	700	300	+133.3%	4100	3300	+24.2%
TYPE C: MINI MOTOR-HOMES	2400	1200	+100.0%	23,600	14,300	+65.0%
FOLDING CAMPING TRAILERS	2800	2300	+21.7%	29,900	26,900	+11.6%
TOTALS	28,400	18,600	+52.7%	277,200	199,300	+39.1%

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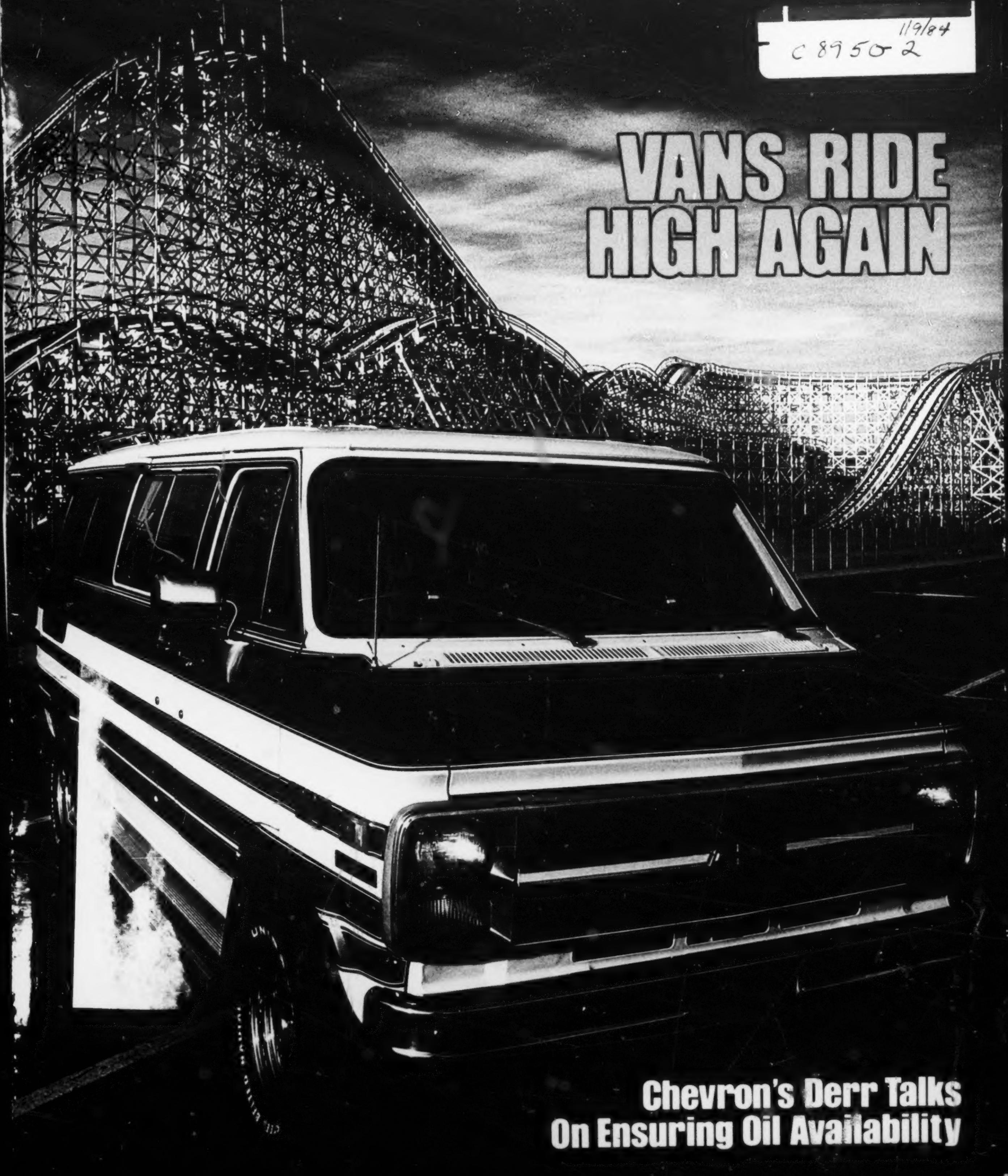

VANS RIDE HIGH AGAIN

Chevron's Derr Talks On Ensuring Oil Availability

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A TL ENTERPRISES PUBLICATION

JANUARY 1984/VOL. 34, NO. 10

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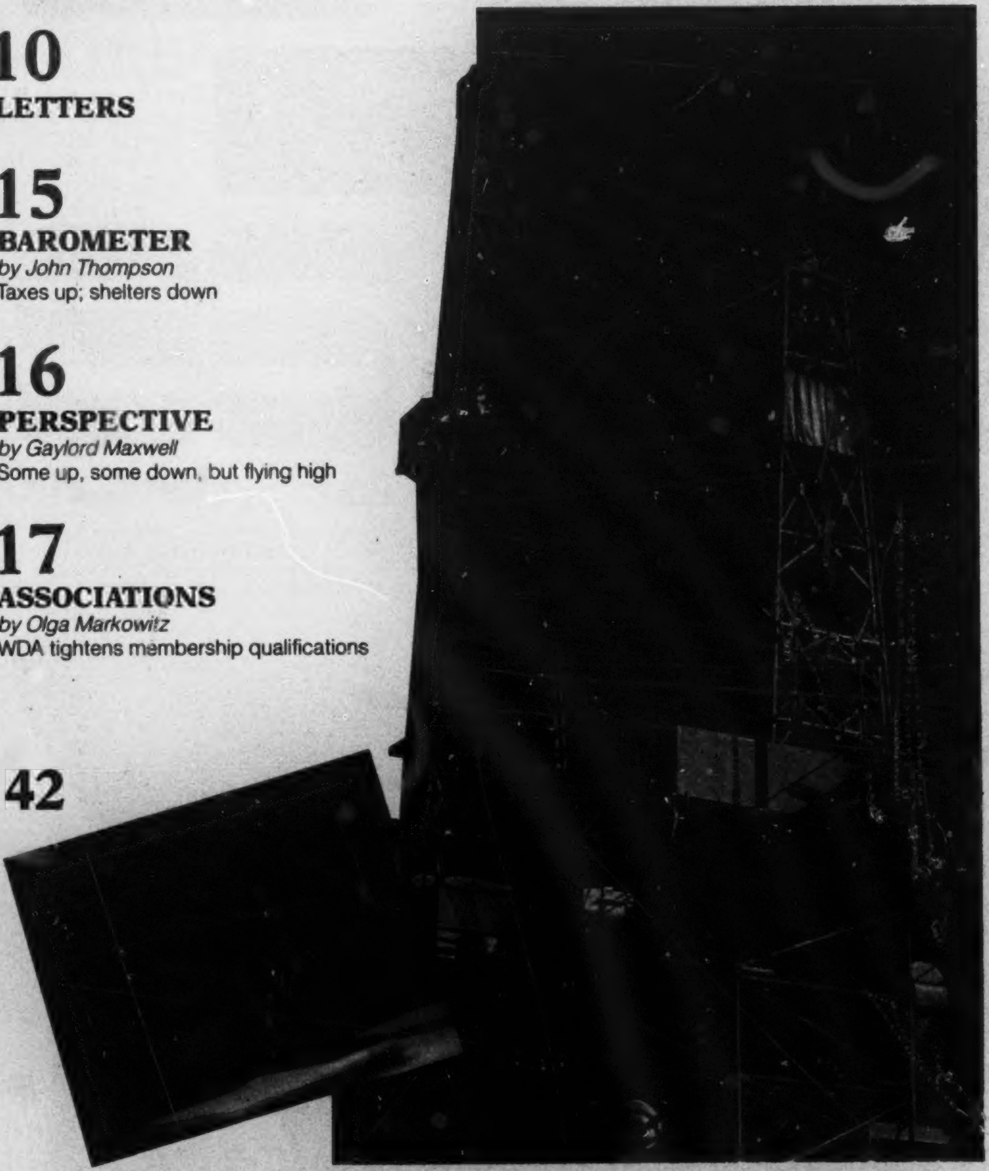

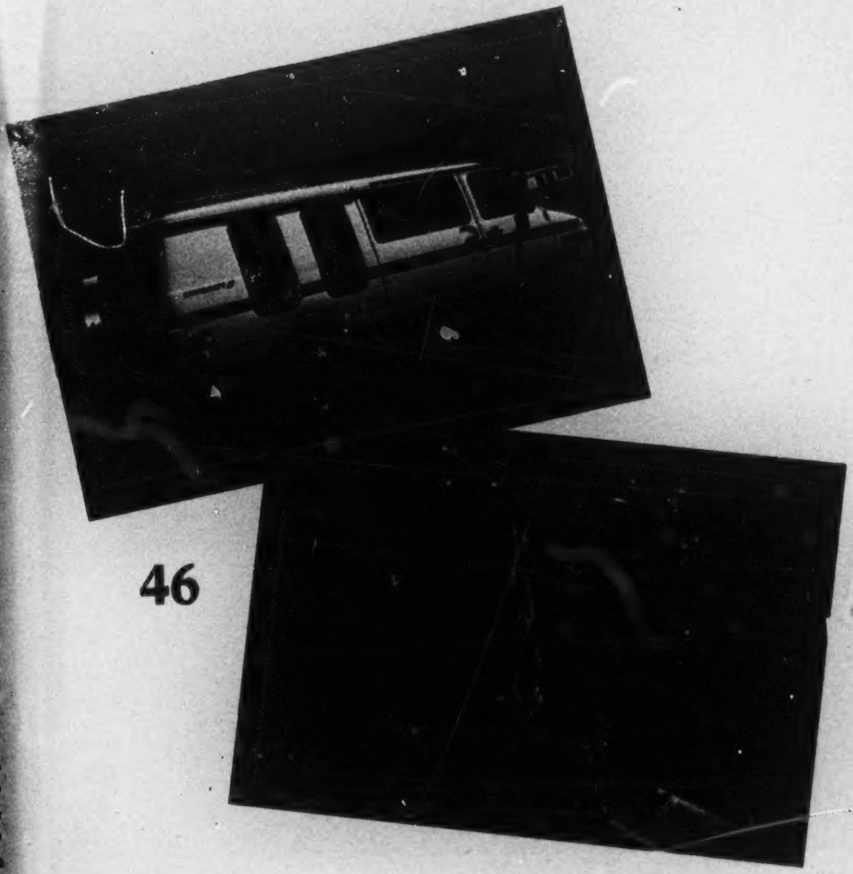

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ON THE COVER: We chose Magic Mountain's Colossus roller coaster as a background for the sleek new Contempo van, to demonstrate the spine-tingling ups and downs of the van industry. The real thrill, though, is the possibility of a more level future. See page 46. Photo by Hal Hunt.

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SHIPMENTS

WDA QUARTERLY SALES FIGURES

With this issue, *RV Business* begins a quarterly presentation of statistics from the Warehouse Distributors Association. The charts shown here are based upon a representative sampling of WDA members, as compiled in the third quarter of 1983. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	THIRD-QUARTER SALES VOLUME	
	PERCENT CHANGE 1982 TO 1983	RANGE OF CHANGE
REGION 1	+30.1%	+36.3% to +9.1%
REGION 2	+46.8%	+62.1% to −22.4%
REGION 3	+14.8%	+59.7% to −7.5%
REGION 4	+27.4%	+31.1% to +6.4%
REGION 5	+29.2%	+45.8% to −14.9%
REGION 6	+38.8%	+57.9% to +14.7%

SALES VOLUME

	FIRST NINE MONTHS SALES VOLUME	
	PERCENT CHANGE 1982 TO 1983	RANGE OF CHANGE
REGION 1	+41.6%	+49.4% to +10.1%
REGION 2	+34.8%	+58% to −16.2%
REGION 3	+12.6%	+52.2% to −16.4%
REGION 4	+15.8%	+19.3% to −4.1%
REGION 5	+24.4%	+38.7% to −18.3%
REGION 6	+31.6%	+50.7% to +14.5%

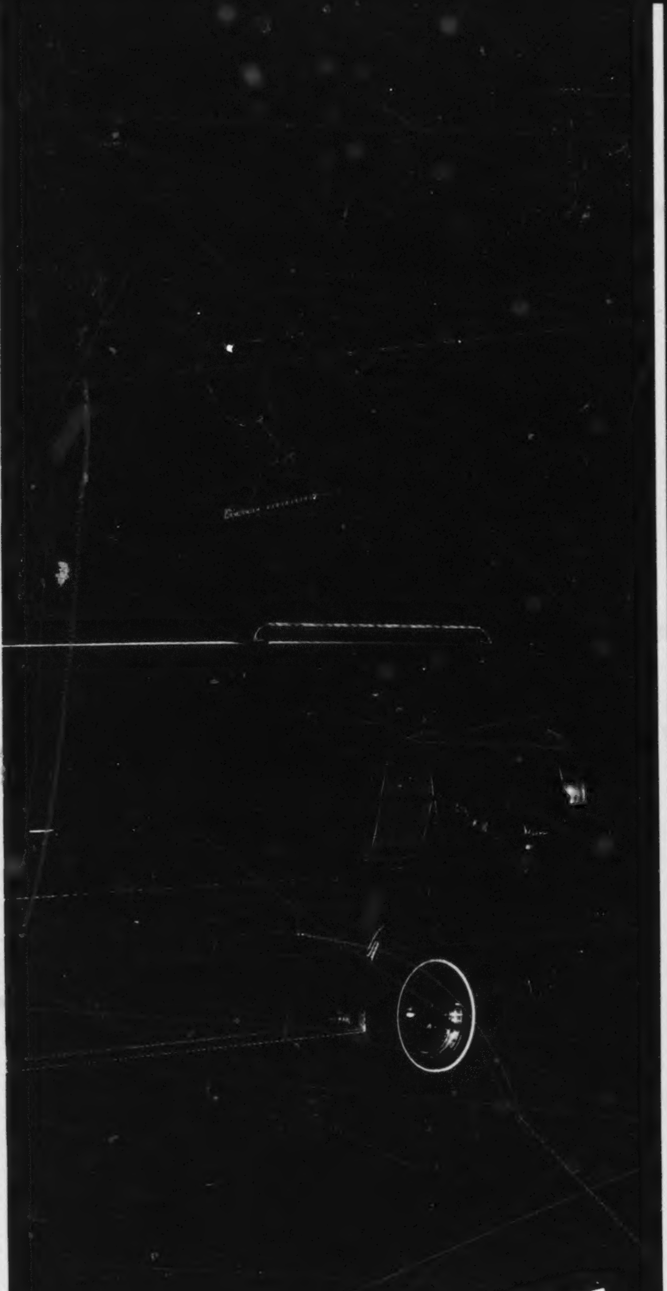
Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.

RVIA, OCTOBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during October 1983 was 30,000, up 44.9% from October of 1982.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in October 1983		October 1982	Percent Change	Cumulative 1983	Cumulative 1982	Percent Change
TRAVEL TRAILERS	6100	4600	+ 32.6%	64,100	47,300	+35.5%
FIFTH-WHEELS	1700	900	+ 88.9%	15,500	10,100	+53.5%
TRUCK CAMPERS	400	400	0	6300	5000	+26.0%
MULTI-USE VEHICLES	12,700	9000	+ 41.1%	129,900	92,700	+40.1%
TYPE A: MOTOR-HOMES	3200	1700	+ 88.2%	27,900	16,300	+71.2%
TYPE B: VAN CAMPERS	500	100	+400.0%	4600	3400	+35.3%
TYPE C: MINI MOTOR-HOMES	2700	1300	+107.7%	26,300	15,600	+68.6%
FOLDING CAMPING TRAILERS	2700	2700	0	32,600	29,600	+ 10.1%
TOTALS	30,000	20,700	+44.9%	307,200	220,000	+39.6%



VAN MARKET

Riding the Crest—Again—of Their Rollercoaster Fortunes

DON WRIGHT

Van conversion sales during 1984 will be limited by only two factors: the availability of raw van chassis and the supply of components such as seats, draperies, carpeting, wood paneling and decorative fabric. That's the word from van manufacturers throughout the country, who predict that consumer demand for quality van conversions almost certainly will outstrip the supply of vehicles on dealers' lots.

Meanwhile, dozens of new van conversion companies will open nationwide with the hope of cashing in on the currently high demand for luxury vehicles. Already, an estimated 400 to 500 companies—nearly half of them within 25 miles of Elkhart, Indiana—are converting vans. Some are building only two or three a week; others are converting five or six a day; a few are churning out as many as eight van conversions per hour.

The van conversion business has never been better; profits have never been higher. But the real growth in van sales has not yet even begun, according to industry leaders. Conversion companies are forecasting business increases ranging from 50% to more than 100% for 1984, and most agree that, notwithstanding chassis and component availability, they could triple or even quadruple their

Rockwood Chevy van

RVIA LAUNCHES VAN CONVERSION CAMPAIGN

Concerned that too many van conversions fail to meet federal safety standards, the Recreation Vehicle Industry Association (RVIA) has initiated a series of steps designed to ensure that van dealers and retail buyers know which companies are converting vans properly. By doing that, RVIA hopes to force converters who are now ignoring safety standards to begin complying with them.

Federal Motor Vehicle Safety Standards require all passenger vehicles—including van conversions—to be equipped with adequate reflective devices, rearview mirrors, tires, rims, occupant crash protection, window glazing materials, seating systems, seat belts, seat belt anchorages, wheel nuts, wheel discs, hubcaps and nonflammable interior materials.

RVIA Chairman Norman Jacobson, who is also vice president of Contempo Vans, said that a surprisingly large number of van conversion companies are not complying with the federal standards, either because they don't know about the requirements or because they believe they can achieve a competitive edge by not complying. Jacobson admitted that compliance with the law is more expensive than noncompliance.

Jacobson said RVIA's current effort to educate dealers and consumers about van safety "started with seven or eight high-volume converters who already spend the money to meet all the federal standards. We believed that even though we were doing it right, our industry was going to get a black eye sooner or later because of those companies that aren't doing it right."

Over a period of months, a five-prong campaign will emerge. First, the association will create a safety standards manual that spells out all the requirements of the Federal Motor Vehicle Safety Standards FMVSS. RVIA will schedule seminars to inform conversion companies as to exactly what their responsibilities are and how the standards are enforced by the National Highway Traffic Safety Administration. Then RVIA will issue seals to its members who convert vans; the seals symbolize compliance with all federal safety standards. Next, RVIA members will be furnished with printed documents designed to be placed in the windows of their vans; the documents call attention to the seal and promise dealers and consumers that the vans meet federal standards. Finally, RVIA hopes to provide its members with insurance coverage that protects their dealers and the chassis manufacturers against any safety errors or omissions made by the van converter.

The campaign is being spearheaded by Starcraft President Don Cuzzocrea, who also serves as chairman of RVIA's Special Vehicles Committee. Members of that committee represent most of the largest companies in the van conversion field, including Contempo, Starcraft, U.S. Conversions, Ger-Win and Bivouac. Cuzzocrea told RVB: "What we're trying to do is convince the consumer to buy a van conversion from a reputable company—one that builds according to the federal standards. We believe there is no other organization in existence that can educate and train the van converter to the FMVSS as well as the RVIA."

He said, "Many of us in RVIA are really appalled by some of the units being built and sold. Some have no seat belts, no flame-retardant upholstery, for instance, and we believe that sooner or later, there will be some tragic accidents that will reflect badly on the whole industry."

Although RVIA requires its members to submit to periodic vehicle inspections in order to qualify for other types of seals, no inspections will be made of members' van conversions. And association spokesman explained, "The safety standards are federally enforced standards, and our organization has never taken on the task of doing the job the federal government is supposed to do." The standards have the force of law; violations can result in expensive recalls and $1000-per-vehicle fines.

Jacobson said, "Because of the way the federal regulations are written, it is the responsibility of the individual manufacturer to do the job. There are no policemen. The only time the federal government gets involved is when somebody files a formal complaint or there is a serious accident. Our idea was that the good guys in the industry would like to upgrade the guys who aren't doing the work right, but we believed that instead of becoming policemen, we would be much better off becoming instructors."

He predicted that companies not in compliance with federal standards will soon have a difficult time acquiring raw chassis from Detroit. The

continued on page 54

VAN MARKET *continued*

production over the next year.

Santa Fe Vans of Elkhart, Indiana, is probably typical of most conversion companies. It experienced a 110% growth in sales during 1983 and is aiming at a 75% additional growth in 1984. President Ken Huys, who made that forecast, told RVB: "I'm pegging that on the number of chassis we're going to get. I know within 10% how many chassis we'll have; that dictates what our increase is going to be."

Availability

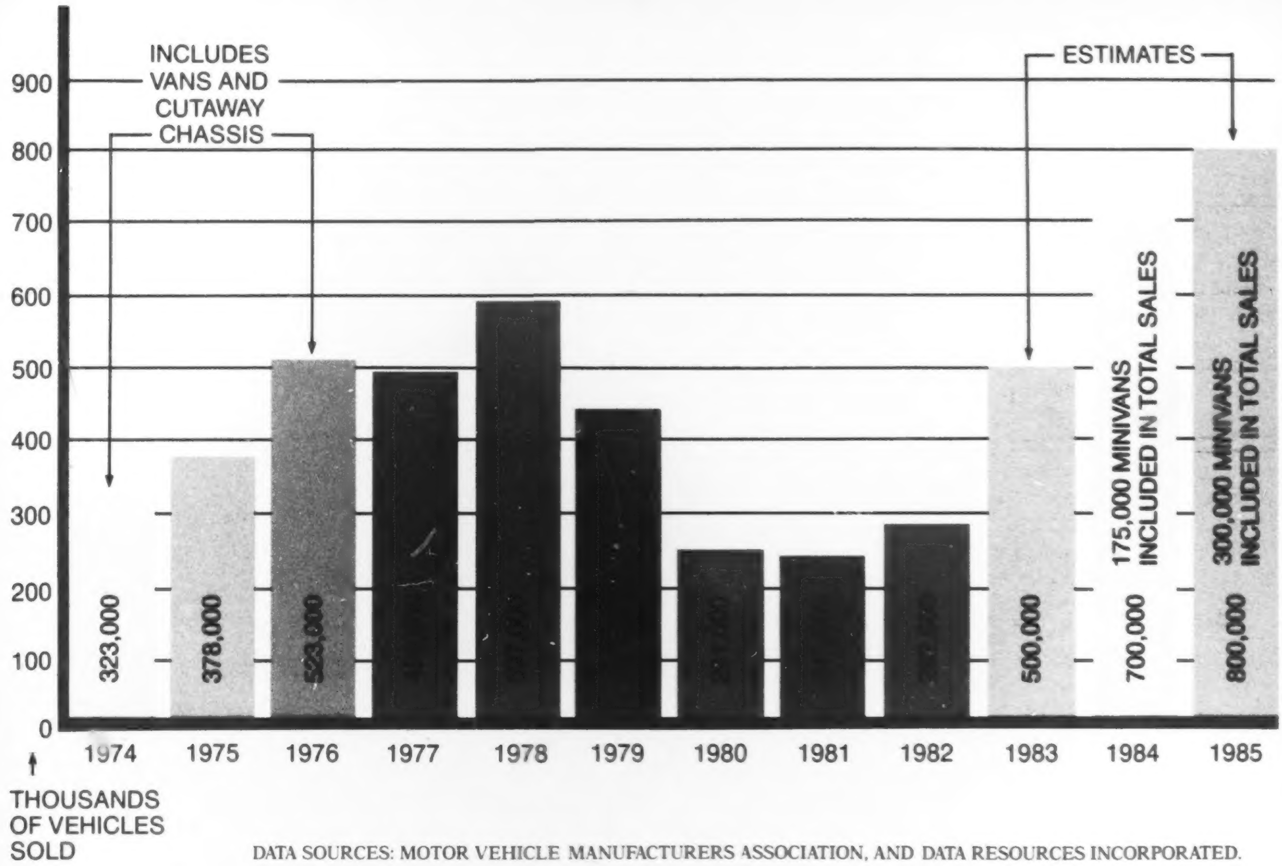
Indeed, van sales are not limited by consumer demand today, but by chassis availability. Almost every converter in America wants more raw chassis than he's getting, and most are trying to supply dealers with even more completed vehicles.

Huys said, "I just talked with a dealer a few minutes ago, and I asked him, 'How is the retail business going?' He said, 'It's very difficult to tell because we don't have any vans. We have a gut feeling that if we had some vans, we'd really be selling them because a lot of people are coming in asking for them.'" In mid-September, Huys said his company had a three-month backlog of orders, and he expected retail van sales to hold at a steady rate through the fall and winter.

Asked about Santa Fe's supply of chassis, Huys chuckled and responded: "That's a perennial problem. We're doing all right. We're getting a good number of chassis, and we're running at a higher rate of production right now than we did last year; getting all the chassis we need is a continual battle. It's the same everywhere, though."

Surprisingly, Huys said, "I'm glad there *is* a shortage! If the automotive manufacturers build all the chassis that the dealers and converters want, we'll start to see a lot of cutthroat discounting, and this industry will really get screwed up. Right now, we're able to hold our grosses, and that's important if we're going to operate our businesses the way we should."

Santa Fe, which opened its doors only three years ago, converted about five vans per day last summer, but Huys expects to increase that level to between eight and 10 vehicles by



DATA SOURCES: MOTOR VEHICLE MANUFACTURERS ASSOCIATION, AND DATA RESOURCES INCORPORATED.

spring. Comparatively speaking, Santa Fe is a medium-sized converter. The industry's leaders are Starcraft, Bivouac, Roman Wheels, Mark III, Tra-Tech, U.S. Conversions and Consolidated Leisure/Midas.

U.S. Conversions, which was one of the van industry pioneers in the early 1970s, has recently expanded and diversified dramatically. Owner Steve Kash now operates seven divisions under a new umbrella corporation, Kentron. Those divisions are U.S. Conversions, which produces midpriced vans; Premiere Editions, which handles high-end conversions; Leisure Editions, which converts vans for the low-priced range; Royal Motor Coach, a luxury motorhome conversion company; Kustom Seating; Royal Furnishings; and Concept Editions, which converts small trucks and will concentrate on converting the new minivans when they're available. (*For more on minivans, see "Detroit," page 24.*)

Kentron's Leisure Editions division is a good example of a company that entered the van conversion field during the last year and has been phenomenally successful. Leisure Editions has increased its production from three vans a week in November 1982, to 40 a week in the fall of 1983. Like most of its competitors, however, Leisure Editions shut down two weeks during the last year because of chassis availability.

Universal Motor Coach, another new converter that specializes in Ford vans, held a million-dollar backlog of orders in September because it could not get enough chassis to increase its production much beyond 12 per day. Even so, Operations Manager Jay Koenigsberg reported, "We've been fairly fortunate in that we turn our chassis quickly, and Ford has been allocating based on how fast you're turning them around. We spend a certain amount of our time acquiring chassis. We've got pool chassis; we're also buying vans however we can."

Koenigsberg added, "We walked around the South Bend show last August and talked with a dozen different converters there. The prevailing attitude was, if you've got vans, you can sell 'em. And that's true. It's easy to sell vans right now. It's a little tougher to buy them, but that's just the nature of the business. If acquiring chassis were easy, everybody else would be converting them, and there wouldn't be any money in it for us!"

Component Shortages

Van production has been hampered by unexpected fabric, seating and component shortages, too. "Components have been very much a problem for us," said Koenigsberg. There is a drastic shortage of good-quality component manufacturers that are also capable of doing increased volume. And they've also had problems with *their* suppliers. There is a shortage of raw goods as well as finished goods. Every supplier we do business with is enjoying some pretty good growth, and some of them just can't handle it."

Several conversion companies told RVB that suppliers seem unwilling to make long-range commitments for their businesses and, as a result, the converters must search constantly for component manufacturers. Conversely, suppliers complain that converters exhibit little loyalty toward companies that service them and that most converters switch suppliers time after time simply because of price differences. In today's market, some suppliers say they are refusing to

VAN MARKET *continued*

make long-range commitments to anyone except their most loyal customers. Others candidly admit they will not do new business on other than a long-term basis.

Van seat and sofa manufacturer Wieland Designs of Goshen, Indiana, is one such company. Sales Manager Rich Hockstetter reported, "If we got a call from a new company, most probably we would tell them we would not be able to serve them now unless they commit to a program of buying. For example, we'd require them to buy a minimum of one unit (one set of seats) per day over a fairly long period. Frankly, our interest is in the people who are in business to stay; we're looking for consistency from the company and from its people."

Van converters saw component shortages develop as early as April 1983, when items that ordinarily had been available within a few days were not delivered for two weeks, and components that usually necessitated 10-day lead times were not shipped for three or four weeks. Plywood, fabric and venetian blind shortages hit the converters especially hard in May and June.

Shortages of chassis and components became so serious a couple of times during 1983 that not only were there plant shutdowns, but some converters encountered near-tragic cash flow problems.

Shakeout

The current consensus among medium-sized and large converters is that chassis supplies will, eventually, determine how many companies can survive. A shakeout of converters is inevitable, most industry executives agree, and the companies that will feel the effects the most will be small van converters.

Automotive executives from Detroit agree that van chassis will be in relatively short supply through the rest of the 1984 model year. Chevrolet spokesmen said virtually no conversion companies will be able to get as many vans as they want during the next several months, and converters who are not members of bailment pools may be hard pressed at times to find enough chassis.

In addition, David Tarrant, of Ford Motor Company, told RVB that he sees little improvement immediately ahead for chassis availability. On the contrary, Tarrant said he expects van shortages to continue until at least the 1985 model year. At that point, Chevrolet and Ford are expected to introduce their new minivans, and the availability of those vehicles will relieve some of the pressure on full-size vans.

According to Bivouac's Nowakowski, as demand for converted vans continues to increase in the months ahead, the Detroit auto manufacturers will be less able to supply enough chassis to meet the demand. Then, he said, sales of chassis to small converters will probably be restricted and those converters could be forced out.

Universal's Koenigsberg reported, "We're already seeing the small companies starving for chassis. . . . Manufacturers realize that they are reflected upon by the type of people with whom they do business. That's because, when retail customers have problems, they don't ever think of the van conversion company as being to blame; they think about Ford or Chevrolet, or about their dealer."

Many large, established conversion companies refer to some of their less successful competitors as "schlock converters" or "garage shops" and claim such operations certainly won't remain open if times get tough again. Harley Wingard, vice president of Ger-Win Vans, predicted, "We'll go through the same thing we did back in '79. When the market turns down, those guys will close their doors and walk away. There will be nobody for retail customers or dealers to go to for warranty work on a lot of those units. I believe there are many [illegible] being built today that do not meet the production standards and codes."

The Dodge Caravan/Plymouth Voyager, one of the new mini vans.

Wingard said he believes a shakeout is inevitable, but he doesn't think it will come while demand for vehicles is high. "I think the next couple of years are going to be strong. Then we'll go through a valley again—which we always have—and that's when the shakeout will happen."

Roger Ellis, national sales manager for U.S. Conversions, believes the shakeout will occur earlier. "I estimate that within nine months, the small van conversion companies will start falling by the wayside purely because of drop-ship chassis availability. The small man relies completely on getting trucks from dealers, whereas companies such as ours are in bailment pools and get most of their chassis from Ford, Chevrolet, GMC and Chrysler. The small converter has to hope he can find dealers who are willing to give him chassis, but those chassis are going to dry up in about six or eight months; there just won't be any vans for him to convert."

How extensive will the shakeout be? Major converters disagree on that point. Some believe it will be very extensive, with only a relatively small number of converters surviving. Others believe the shakeout will affect only the small garage shops and that a rather large number of converters will continue operating.

Bill Garvey, sales manager of Leisure Vans, said, "The number of van conversion companies in the Elkhart area alone is just phenomenal, and there is no reason for me to believe that even if we have a shakeout there won't be a substantial number of manufacturers left. There are between 400 and 500 converters in the Midwest right now. How many can the market support reasonably well under normal conditions? I believe it can still support a very large number."

Tra-Tech President Robert O. Isham said he doesn't believe much of a shakeout will occur; he thinks small converters will always be able to acquire drop-shipped chassis from dealers. "Whether we like it or not, we're always going to have to compete with those people (the small converters). It hasn't been my experience that they just disappear."

Isham emphasized that even if a market turndown comes, several of the larger conversion companies will go out of business faster than the very small converters. "This business has been good to a lot of people, and there have been some tremendous success stories in the field over the years. But I think so many companies enter the field, grow and become very successful, and then the key people in those companies forget where they came from. They forget that they had to work themselves up from nothing. They forget that once, every van they sold was important to them. All of a sudden, they get themselves into financial hot water. Things get shaky, and they exit the marketplace quicker than the old boy who's converting vans in a run-down building from the rear of an industrial park."

Digging In

While market conditions are good, several van companies are solidifying

ELKHART: VAN CONVERSION COUNTY

Elkhart County, Indiana, has been regarded for many years as the heart of the nation's RV industry, but during the last three years, the area has also become the center of America's growing van conversion industry. In excess of 200 van builders are already converting vehicles within 25 miles of Elkhart, and dozens more are operating out of facilities less than two hours' drive from the northern Indiana community.

The converters were drawn to Elkhart for four reasons:

- Personnel who are experienced in building and selling van conversions are more numerous there, due to the vanfield's close historical ties with the RV industry.
- Most key suppliers and component manufacturers already have facilities in Elkhart.
- Raw van chassis built in Detroit can be easily drop-shipped to Elkhart.
- Automotive dealers near Elkhart and South Bend have excellent working relationships with local converters, and they willingly—and profitably—assist conversion companies in acquiring chassis.

Around Elkhart, the attitude toward converting vans is this: If you can get chassis, you should open a van conversion company.

"All it takes is money and chassis," RVB was told by the president of a well known conversion operation. "You don't have to know anything about converting vans yourself because if you've got money and can get chassis, you can steal enough people to do the work for you. Then all you have to do is manage the business and rake in the dough."

He added: "Of course, that kind of attitude has caused the market to be saturated with a lot of schlock conversions, and most of the people who are in it for the fast buck won't be around two or three years from now. But while they're here, they're making a lot of money."

Ironically, the RV manufacturers that spawned Elkhart's van conversion industry are now competing with van converters for the same labor force, and experienced production workers are in such short supply that they can demand almost any working conditions and wages they want. Employee loyalty has become a highly valued commodity around Elkhart since the county's unemployment rate dropped to nearly 5%, and piracy of experienced personnel became [illegible] as the best way to build a team.

Effective salespeople are most in demand. A salesman who has good rapport with several key automotive dealers can virtually write his own contract with any van conversion company in town. Not only is it common practice for a salesman to take his key accounts from one company to another whenever he changes jobs, but it is almost inevitable that the salesman will eventually grow tired of working for someone else and form his own company.

Converters outside the Elkhart mainstream routinely ridicule their Elkhart-based competitors for their parochialism, their practice of pirating each others' ideas, suppliers and employees, and their conservative approach toward business.

A Michigan converter said his company likes to boast that it is "farther from Elkhart than from Detroit," meaning that not only is the plant physically distant from Elkhart but its philosophy is more automotive oriented than RV oriented. "It's really a big plus to be as far away from Elkhart as we are. We're close enough to take advantage of the suppliers and yet far enough to be out of that 'Elkhart mentality.' The 'Elkhart mentality,'" he explained, "says 'I don't really need your business, and if you want to take it somewhere else, it won't bother me.'" He added: "We don't have the people problems, the piracy problems and the industrial espionage. We just stay up here out of the way and make money."

Of course, dozens of the Elkhart converters are making money, too. Lots of it! The boom in van sales has turned several former salesmen and production superintendents into quite wealthy men. Their successes, in turn, have encouraged other Elkharters to quit their jobs and enter the van conversion field in the hope of finding their own pots of gold.

During the last year, 18 new van conversion companies opened their doors every month in Elkhart County. Some will survive and become leaders in their field, some will struggle a few years and then fade out of existence; most will die a quick death due to undercapitalization, supply shortages or an inability to acquire enough raw van chassis.

But one thing now seems certain: Elkhart, Indiana, will continue to be the focal point for America's growing, prosperous van conversion industry.

VAN MARKET

continued

their positions in the field by expanding and diversifying. Tra-Tech, Bivouac, U.S. Conversions, Turtle Top, Starcraft, Roman Wheels, Ger-Win, Contempo, Royal Coach and a few others now have more than one plant in operation.

Tra-Tech, which went into business during the pits of the van conversion depression in mid-1979, currently converts vehicles in three facilities—Fort Worth, Texas; Pontiac, Michigan; Marietta, Georgia. Here's how Isham explained his reasons for Tra-Tech's expansion: "We always had a strong belief that it is impossible for one plant to service a dealer properly if they're 1000 or 1200 miles away from him. Rather than do that and, at the same time, continually try to increase production in our Forth Worth facility, we elected to open two new plants. Doing that put us in a better position to understand the attitudes and particular needs of dealerships within a 500- to 600-mile radius of each of the three plants, too. We believe there are some differences; there are different activities and lifestyles in those areas, and dealers need to chart their businesses according to those local attitudes." Tra-Tech now produces 20 vans per day in its Texas facility and five per day in each of its satellite plants.

Starcraft—undisputed leader in the conversion field with its 65 vehicles per day—operates plants in Topeka, Indiana; Corcoran, California; and Delhi, Louisiana. Bivouac is hoping to convert up to 28 vans per day from its plant in Vandalia, Michigan, and it recently expanded its output potential by purchasing Kim Gerring's Tech Trans operation in Bristol, Indiana. Roman Wheels, another well-established conversion company that each year is among the nation's top five producers of vans, has plants in Bristol, Indiana; Tampa, Florida; and Arlington, Texas.

U.S. Conversions, under its Kentron umbrella company, is threatening to become the country's top producer of van conversions. USC Sales Manager Roger Ellis has his sights set on a 25-van-per-day production schedule in 1984, and to those figures must be added Leisure Edition's 10 per day and Premier Edition's projected seven per day. Total Kentron production for 1984 is expected to reach 155 vans and trucks per week. Roman Wheels produces about 20 conversions per day in its three plants while Ger-Win builds nine per day at its Indiana facility and four per day at its plant in Olathe, Kansas.

Multiplant operations are not the only ones experiencing phenomenal growth rates, however. Bentley Corporation, which produces Good Times and Venture conversions, recently moved into a huge 156,000-square-foot complex in Grandview, Texas, so that it could more easily handle its 1984 projection of 20 vehicles per day. RVC, Incorporated, moved from rented quarters in Middlebury, Indiana, to larger

Shown is one of Tra-Tech's three conversion facilities.

RVIA CONVERSION

from page 48

automotive manufacturers are concerned about being legally liable for incomplete work done on their chassis by van converters, he said, and so the RVIA program is endorsed by General Motors, Ford and Chrysler. RVIA is also working closely with the National Automobile Dealers Association program.

Van conversion companies that are not members of RVIA will not be eligible to receive the association's seal and other support materials, Cuzzocrea said. But he added that responsible converters should be RVIA members anyway.

Noting that periodic efforts are made to form a new association of van converters, Cuzzocrea said he and most other major conversion executives do not believe a separate association is necessary. "Although the vans we make are not recreational vehicles in the true sense, we still believe there is such a commonality of interest, codes and regulations that it doesn't make sense to form another organization. We believe that the best organization for van converters to join is RVIA. In order to enhance the applicability for van converters, RVIA has taken an unprecedented step: We have a Special Vehicles Committee, which is essentially made up of van conversion companies. There is no like committee in the association for motorhomes, folding trailers or travel trailers. RVIA has gone out of its way to welcome van converters to meet their needs."

(One van association that has formed recently is the National Van Converters Association, headed by Rocky Cole. For more on this new association, see page 83.)

Jacobson pointed out that several dozen van converters joined RVIA's association during the last few months, and Cuzzocrea added, "With our advertising program, it is to the benefit of every converter to join. Instead of each company's having to tell its dealers that it is meeting the federal standards, the dealers can simply be told, 'We're in RVIA, and there's the seal that certifies I'm meeting the standards.'" ∆

VAN MARKET *continued*

facilities in nearby Goshen so that it could increase its production to 25 vans per week. Universal Motor Coach of Sturgis, Michigan, converted 1500 vans during its first year of operation and expects to double that in 1984.

Projections

How long will that kind of growth continue?

Dave Pippenger, president of Citation Motor Coach in Elkhart, does not expect it to slow in the foreseeable future, despite the traditional roller-coaster history of van sales. He is counting on dramatic growth for his company not only in 1984, but for at least a couple of years beyond that.

Craig Blue, national sales manager for Consolidated Leisure Industries, looks for sustained growth for van conversions as the nation's economy improves. CLI has prepared for what it expects to be a good year ahead by upgrading its low-priced models, giving its high-end Converse line a

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VAN MARKET

continued

facelift and purchasing new fabrics, draperies and color combinations for all models.

Ellis of U.S. Conversions (USC) emphasized that "just the edge" of the van conversion market has been touched by the industry thus far. He expects sales records to be set each year for a while unless van sales are affected adversely by some economic tragedy or by fuel shortages. USC's sister company, Concept Editions, will devote its full energies to converting minipickup trucks and the new minivans during 1984, while USC itself will introduce all-new van models.

Bentley Corporation believes its best future is in the South, where it presently concentrates its sales efforts. "We're constantly exploring new markets and getting new dealers, but we don't believe we've completely penetrated the market here yet," said Bentley General Manager Jim McDonald from his Texas office.

Ger-Win's Harley Wingard reported, "I really expect the next two or three years to be strong. I'm basing that on several different things. First is that I believe we've entered a new market for our product; the professional people are now buying our vans." In addition, he said Ger-Win will offer new models in 1984 that should help the company increase its market share.

Frank Nowakowski believes the van industry will continue to grow as long as automobiles are built smaller and smaller. But he believes the secret to success will be a company's ability to acquire chassis. "It's going to be a very interesting year," he said. "Chassis will be more important than sales. There's such a thing as not enough sales, but I don't agree with the people who say there can never be too many sales. There can be if you don't have enough chassis to support them. If you can't produce what you sell, you have to answer to a lot of people."

The fact is, though, that anyone who can acquire chassis can find dealers in need of converted vans. And in the van conversion field, success can't always be measured by a company's size or by the number of vans it produces. Ken Huys said it best: "I know individuals in this business who run 200 to 250 units a

VAN MARKET *continued*

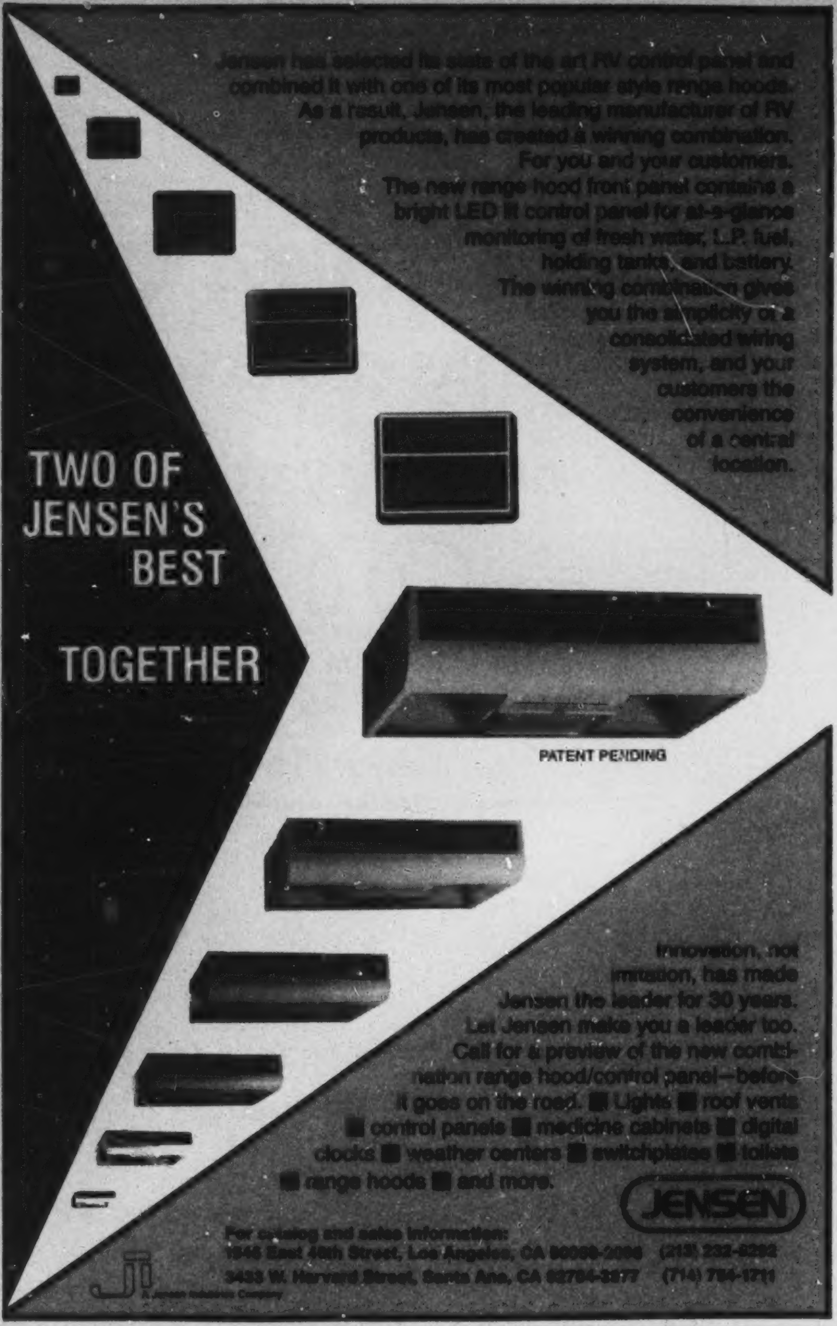
year, and they make a good living doing it." He pointed to a nearby competitor who builds a few vans each week and markets them without a sales crew, with no brochures and precious little overhead. "He seems to roll happily along, too," Huys said.

John Davis, president of Gran Prix, Limited, is another example of a small converter who operates quite successfully, handicapped only by spot chassis shortages. Davis said he has no intention of becoming a major van producer, and he is satisfied with converting up to 15 luxury vans a week in his modern Elkhart plant.

Endurance

Longevity in the industry is becoming more and more important, however. Converters who enter the field during boom periods and then walk away from it during slow times can't maintain much credibility among the nation's automobile dealers, according to Universal's Jay Koenigsberg. "Dealers want to be comfortable with the people with whom they're doing business," he said, "and it's tough for a dealer to be comfortable with someone who says, 'Oh, yeah. I've been in the business four different times.'"

Ken Kennedy, chief executive officer of Roman Wheels, emphasized, "The last thing we need is more fly-by-nighters who jump in, jump out and don't really have any real commitment to the industry. But I think there is always room for new companies that are able to provide good warranty service to the dealers and put out a good product. Overall, they will help the image of the van conversion business." Δ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RV BUSINESS

FROM THE EDITORS OF TL ENTERPRISES

FEBRUARY 1984 $2.00

2/10/84
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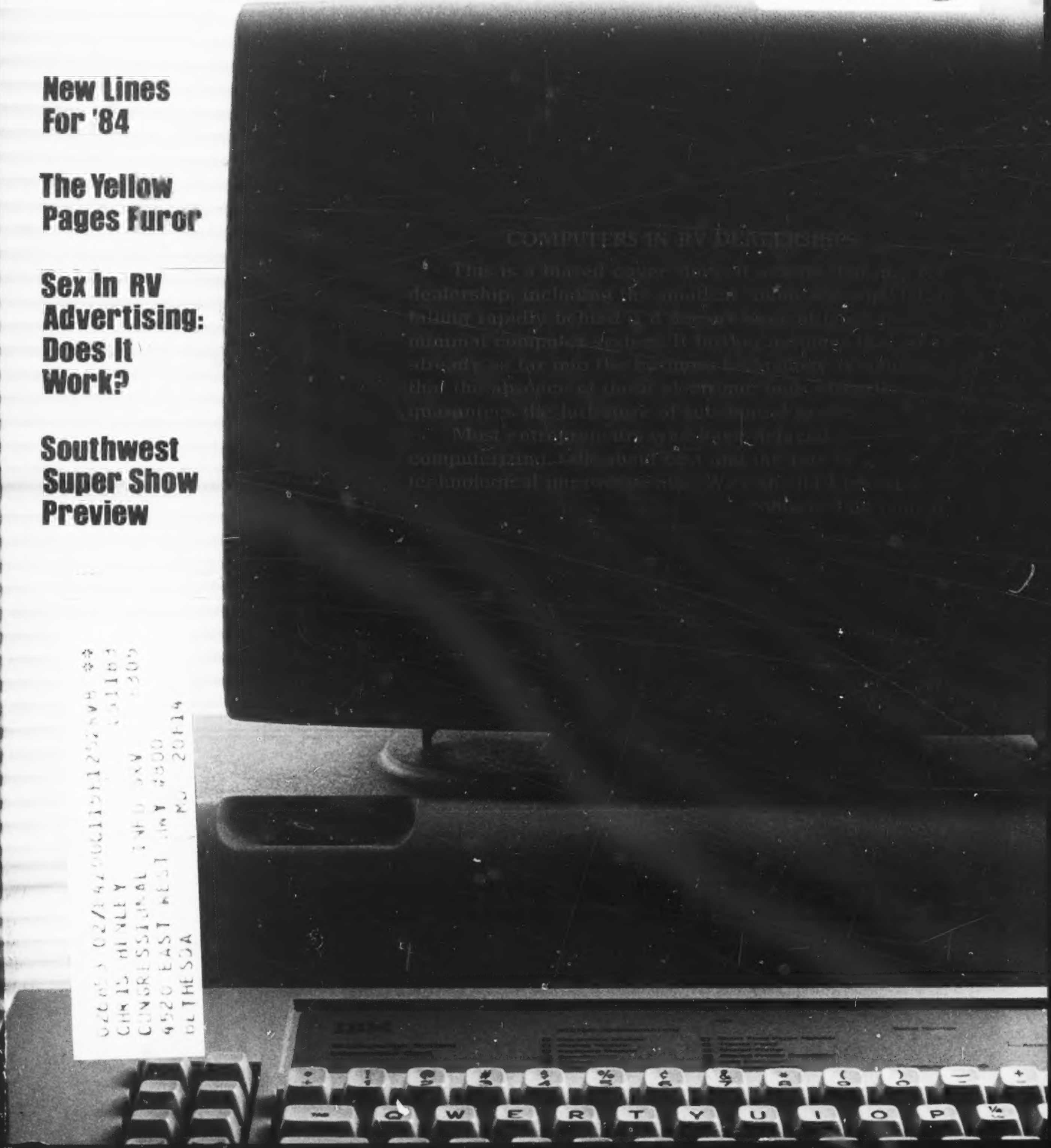
New Lines For '84

The Yellow Pages Furor

Sex In RV Advertising: Does It Work?

Southwest Super Show Preview


COMPUTERS IN RV DEALERSHIPS
IBM
Q W E R T Y U I O P

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RV BUSINESS

A TL ENTERPRISES PUBLICATION

FEBRUARY 1984/VOL. 34, NO. 11

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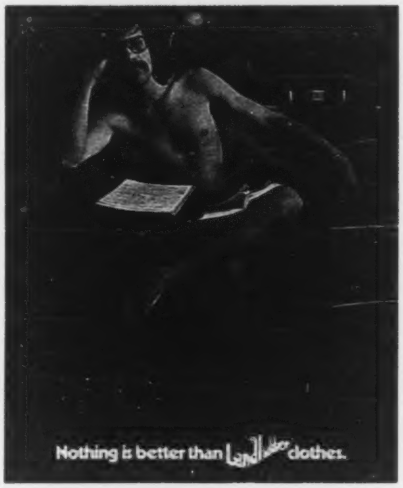
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ON THE COVER: What better way to demonstrate the versatility of the computer than to begin our cover story on that very piece of machinery on which it was originally conceived? As for what that versatility can mean to your business, see Part I of our computer story. It begins on the cover and carries over onto page 41. Photo by Hal Hunt.

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PERSPECTIVE

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

November ended strongly on the up-side for RV retailers, compared to the corresponding month in 1982. In both dollars and units, dealers are definitely on a roll.

Although the sales volume was a couple of points behind the year-to-date rate, units picked up handsomely. Apparently, smaller units were more popular for the month—small motorhomes, travel trailers and fifth-wheels that is—because camping trailers and truck campers did not account for big numbers.

SALES VOLUME

For Month	This year $ 7,046,263	+46%
	Last year $ 4,879,581	
Year to Date	This year $80,888,521	+48%
	Last year $54,529,843	

TOTAL UNIT SALES

For Month	This year 368	+32%
	Last year 279	
Year to Date	This year 6417	+24%
	Last year 5179	

NEW UNIT SALES

For Month	This year 233	+42%
	Last year 163	
Year to Date	This year 4125	+31%
	Last year 3146	

USED UNIT SALES

For Month	This year 135	+16%
	Last year 116	
Year to Date	This year 2292	+13%
	Last year 2033	

MOTORHOMES

The 74% increase in sales for the year-to-date makes this RV type by far the front runner in terms of percentage of increase. An interesting change during the year has been the renewed interest in Class C's. The big ones are still moving well, though. Profits are still ranked reasonably good, but not as good as earlier this season. The demand for older motorhomes—units that can be sold in the $8000 to $10,000 range—is enormous. Rigs that should be bringing several thousand dollars less sell like hotcakes.

NEW	For Month	This year 98	+51%
		Last year 65	
	Year to Date	This year 1121	+74%
		Last year 645	
USED	For Month	This year 64	+25%
		Last year 51	
	Year to Date	This year 806	+13%
		Last year 712	

TRUCK CAMPERS

The percentage increase for the month is staggering, but the unit numbers aren't as impressive. What actually happened was that our Dealer Advisory Board member, who displays big at Dodger, had a boom public show; still, the 39% increase for the year is tied with fifth-wheels for second place among all RV types. Used sales picked up almost equally well. Profits were rated excellent.

NEW	For Month	This year 15	+225%
		Last year 4	
	Year to Date	This year 164	+ 39%
		Last year 118	
USED	For Month	This year 18	+200%
		Last year 6	
	Year to Date	This year 191	+24%
		Last year 154	

CAMPING TRAILERS

This is the only down category for the month. Apparently, there has been too much cold weather for people to Think Outdoors. Another factor is that dealers had been cleaning up their inventories very strongly in the preceding two months. Used units have not been popular on dealers' lots. The fact is that most motorhome dealers and many travel trailer specialists won't take them in trade; consequently, many are sold privately.

NEW	For Month	This year 32	− 9%
		Last year 35	
	Year to Date	This year 1485	+16%
		Last year 1282	
USED	For Month	This year 3	−70%
		Last year 10	
	Year to Date	This year 290	−22%
		Last year 355	

TRAVEL TRAILERS

The demand for used units fell from the average for the month, but it was still a plus figure. Some dealers are reporting that the excellent prices they had been getting for clean used units have dropped some.

NEW	For Month	This year 50	+25%
		Last year 40	
	Year to Date	This year 1044	+19%
		Last year 878	
USED	For Month	This year 48	+ 7%
		Last year 45	
	Year to Date	This year 912	+23%
		Last year 741	

FIFTH-WHEELS

As with truck campers, much of the 100% increase in new unit sales was due to a terrific Dodger Show, which boosted the monthly figures to a new high for the DAB. Used units are very popular with retirees who want to upgrade. Δ

NEW	For Month	This year 38	+100%
		Last year 19	
	Year to Date	This year 311	+ 39%
		Last year 223	
USED	For Month	This year 2	− 50%
		Last year 4	
	Year to Date	This year 93	+ 31%
		Last year 71	

SHIPMENTS

RVIA, NOVEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during November 1983 was 26,000 units, up 32% from November of 1982.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in Nov. 1983		Nov. 1982	Percent Change	Cumulative 1983	Cumulative 1982	Percent Change
TRAVEL TRAILERS	4000	3200	+25.0%	68,100	50,500	+34.9%
FIFTH-WHEELS	1500	800	+87.5%	17,000	10,900	+56.0%
TRUCK CAMPERS	300	400	−25.0%	6600	5400	+22.2%
MULTI-USE VEHICLES	12,000	9700	+23.7%	141,900	102,400	+38.6%
TYPE A: MOTOR-HOMES	2900	1600	+81.3%	30,800	17,900	+72.1%
TYPE B: VAN CAMPERS	500	300	+66.7%	5100	3700	+37.8%
TYPE C: MINI MOTOR-HOMES	2300	1200	+91.7%	28,600	16,800	+70.2%
FOLDING CAMPING TRAILERS	2500	2500	–0–	35,100	32,100	+ 9.3%
TOTALS	26,000	19,700	+32.0%	333,200	239,700	+39.0%

RV BUSINESS

FROM THE EDITORS OF TL ENTERPRISES

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International Marketing:

Surveying The '84 Imports

RVs On A Slow Boat To China

Computerizing Your Dealership--Part II-

RV BUSINESS
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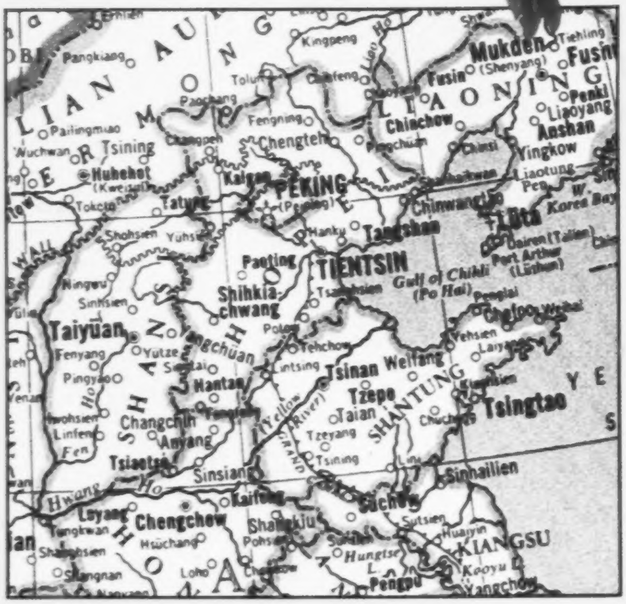
LIAONING
Mukden (Shenyang)
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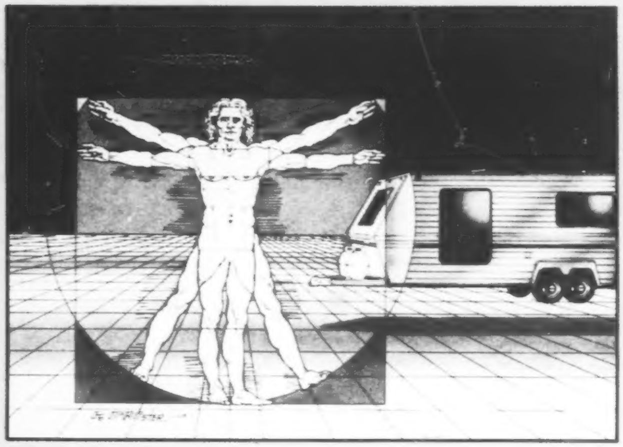

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ON THE COVER: *Freedom is like good art: You may not be able to define it, but you know it when you see it. We knew it when we saw it on our cover photo, and we defined it in our article on "Self-Regulation," beginning on page 48. Photo: Animals Animals/Ray Richardson.*

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Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board members

GAYLORD MAXWELL

RV dealers ended '83 feeling a chill in more than one way. Not only did most find themselves personally slipping and sliding on the snow and ice of one of the coldest-ever Christmas months, they found their profits on thin ice. Although both sales volume and unit sales were greater than in the previous December, the increase was the least for any month this year.

Regardless of the slowdown for the month, it has been a teriffic year for most dealers. The 22 dealers who comprise the Dealer Advisory Board averaged a 41% increase in sales volume and 26% more in unit sales. Those are impressive numbers—clear evidence that the RV industry is on the upswing.

As can be expected during a slow period, December profits were soft. Even used units and service were down. Several dealers reported the first "red ink" they've seen in a long time.

SALES VOLUME		
For Month	This year $ 4,861,018	+16%
	Last year $ 4,199,527	
Year to Date	This year $82,587,632	+41%
	Last year $58,553,779	

TOTAL UNIT SALES		
For Month	This year 262	+11%
	Last year 235	
Year to Date	This year 6299	+26%
	Last year 5007	

NEW UNIT SALES		
For Month	This year 176	+11%
	Last year 158	
Year to Date	This year 4014	+33%
	Last year 3007	

USED UNIT SALES		
For Month	This year 86	+12%
	Last year 77	
Year to Date	This year 2285	+14%
	Last year 2000	

MOTORHOMES

Although it is still the RV type showing the greatest sales increase for the year, even motorhomes softened in December. The 28% increase for the month is far off the pace as indicated by the 71% year-to-date increase. The larger dealers are still going very strong with Class A's. Several reported good action on large, expensive units. Used sales are still relatively good, but profits have softened somewhat. Also, the supply has been improving in some areas.

NEW	For Month	This year 77	+28%
		Last year 60	
	Year to Date	This year 1202	+71%
		Last year 701	
USED	For Month	This year 43	+ 8%
		Last year 40	
	Year to Date	This year 859	+13%
		Last year 761	

TRUCK CAMPERS

The increase for the month goes along with the 16% increase for the year. Used units are moving well and profits are rated excellent to good.

NEW	For Month	This year 14	+14%
		Last year 12	
	Year to Date	This year 255	+16%
		Last year 220	
USED	For Month	This year 5	+66%
		Last year 3	
	Year to Date	This year 225	+27%
		Last year 177	

TRAVEL TRAILERS

It's understandable why this category would suffer with the snow and cold weather. People just don't see snow and think trailer. However, dealers in areas where there wasn't much cold weather and no snow still reported sales as soft. A 21% drop from the previous December isn't something a trailer dealer can ignore. Perhaps more significant is the fact that the increase for the year is the lowest for any RV category: 15%. A few dealers on the DAB showed increases for the year, but many stayed about the same as 1982—or even dropped. A point for speculation is that competition is getting much stiffer in the trailer game.

NEW	For Month	This year 38	−21%
		Last year 48	
	Year to Date	This year 1049	+15%
		Last year 913	
USED	For Month	This year 29	− 3%
		Last year 30	
	Year to Date	This year 869	+24%
		Last year 702	

CAMPING TRAILERS

There's never much activity with folding camping trailers in December, so the small numbers are expected. The fact that new unit sales are up 26% for the year indicates that dealers in the RV type have had a good year. Profits were rated only fair on the few sales that were made in December.

NEW	For Month	This year 12	+ 20%
		Last year 10	
	Year to Date	This year 1161	+ 26%
		Last year 923	
USED	For Month	This year 5	+500%
		Last year 0	
	Year to Date	This year 230	− 19%
		Last year 285	

FIFTH-WHEELS

It has been a good year for fivers. Both new and used sales have been strong and profits have been good. One dealer on the DAB sold well over 100 new units during the year and another sold nearly 100. Those are impressive numbers. To sell fifth-wheels, as with any RV type, you must make a commitment in terms of inventory and expertise if you expect to get the numbers. Δ

NEW	For Month	This year 35	+25%
		Last year 28	
	Year to Date	This year 347	+39%
		Last year 250	
USED	For Month	This year 4	0
		Last year 4	
	Year to Date	This year 102	+ 36%
		Last year 75	

Associations

OLGA MARKOWITZ

When it comes to unfair taxation, somebody in Washington has to look out for the RVer. The **American Recreation Coalition** (ARC) is making its voice heard regarding the latest taxation proposal of the U.S. Fish and Wildlife Service. For details, turn to page 91 in the "Industry News" section.

Let's make it federal. The **Indiana Manufactured Housing Association** (IMHA) reports that Senate Bill 44 preempts state product liability law and proposes the creation of federal standards to be interpreted by state courts. The case against state product liability laws: The numerous state variations limit the ability of manufacturers to make informed decisions regarding the design of products for nationwide distribution and sale. By having a *federal* product liability law, uniformity and certainty of the law would ease what has become a serious burden on interstate commerce.

More politics! Some 20% of **California Travel Parks Association**'s (CTPA) membership has made startup contributions to the Recreation Political Action Committee (REC PAC). Treasurer Larry McConnell reports that additional contributions are continuing to arrive in response to the first announcement regarding PAC's formation. * * CTPA was the recipient of the Mike McManus Award, presented by the **National Campground Owners Association** (NCOA).

If you have had difficulty determining the geneological relationship of Project **J.O.V.E., RVTA** (Recreational Vehicle Technicians Association) and **RVTI** (Recreational Vehicle Technical Institute), take note: Project J.O.V.E. provides training for unemployed persons through project funding. They train raw technicians. They were affiliated with RVTI, but that is no longer the case. RVTI does exist. Now it trains RV owners to care for their vehicles. It does not train technicians. RVTA is a national organization for seasoned RV technicians. It is designed to enable them to expand their knowledge by certification, seminars, newsletters. It is a nonprofit organization and is not funded; it is membership-supported through voluntary funding. Project J.O.V.E., 1140 Union Street, San Diego, California 92112; RVTI, 7242 University Avenue, La Mesa, California 92041; RVTA, PO Box 12216, Orlando, Florida 32809, or 1530-C Border Avenue, Corona, California 91720.

Maine Campground Owners Association's (MECOA) membership has reached 168, a 58% increase over the past two years. * * The association approved a code of ethics and voted to go to an 8½ x 11 magazine-style directory for tourist information in 1984. Maine thus becomes the fourth New England state to go to a larger format, following New Hampshire, Massachusetts and Connecticut. The code, to be posted in all campground offices, pledges the members to provide a pleasant camping experience, to keep facilities and grounds clean, to provide information on other campgrounds, and to be truthful in all advertising.—*R.L.*

The **Wisconsin Association of Campground Owners** (WACO) has scheduled its annual convention March 30 to April 1 at the Paper Valley Hotel in Appleton. "Back to Basics" is the theme of this year's convention, with the letters BASICS representing Business, Advertising, Sales, Ideas, Customer and Success. The convention has been combined with the Wisconsin Recreation Industries, a 1,000-member group of tourism-related businesses representing restaurants, resorts, ski hills and other facets of tourism.

Warehouse Distributors Association (WDA) has established October 1 as its deadline date for suppliers to submit their reproducible materials for the distributor catalog. Ask WDA for a free copy of the guidelines. WDA, PO Box 1128, Waukegan, Illinois 60085. Δ

RVIA, DECEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during December 1983 was 24,800 units, up 35.5% from December of 1982.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in Dec. 1983		Dec. 1982	Percent Change	Cumulative 1983	Cumulative 1982	Percent Change
TRAVEL TRAILERS	3800	3300	+15.2%	71,900	53,800	+33.6%
FIFTH-WHEELS	1100	800	+37.5%	18,100	11,700	+54.7%
TRUCK CAMPERS	200	300	−33.3%	6800	5700	+19.3%
MULTI-USE VEHICLES	12,300	8900	+38.2%	154,200	111,300	+38.5%
TYPE A: MOTOR-HOMES	2600	1400	+85.7%	33,400	19,300	+73.1%
TYPE B: VAN CAMPERS	500	200	+150.0%	5600	3900	+43.6%
TYPE C: MINI MOTOR-HOMES	1900	1200	+58.3%	30,500	18,000	+69.4%
FOLDING CAMPING TRAILERS	2400	2200	+ 9.1%	37,500	34,300	+ 9.3%
TOTALS	24,800	18,300	+35.5%	358,000	258,000	+38.8%

RV BUSINESS

FROM THE EDITORS OF TL ENTERPRISES

APRIL 1984 $2.00

4/16/84
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SPECIAL FINANCE FEATURES:

How Much Is Your Business Worth?

S&Ls Have RV Money Now

How To Transfer Company Own

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CONGRESSIONAL INFO SRV 8305
4520 EAST WEST HWY #900
BETHESDA MD 20814

RV BUSINESS
A TL ENTERPRISES PUBLICATION
APRIL 1984/VOL. 35, NO. 1

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ON THE COVER: *Business methods have come a long way since the old days. The good old days and today have been combined on our cover. This issue, which focuses on the financial aspects of our industry, presents some of those new approaches beginning on page 52. Photo by Hal Hunt.*

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Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR TO DATE			FOR MONTH			YEAR TO DATE		
	JAN '84	JAN '83	% CHANGE	1984	1983	% CHANGE	JAN '84	JAN '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	78	66	+18%	78	66	+18%	57	37	+54%	57	37	+54%
TRAVEL TRAILERS	47	53	−11%	47	53	−11%	41	39	+5%	41	39	+5%
TRUCK CAMPERS	7	5	+40%	7	5	+40%	8	9	−11%	8	9	−11%
CAMPING TRAILERS	51	35	+46%	51	35	+46%	9	9	Same	9	9	Same
FIFTH-WHEELS	32	20	+60%	32	20	+60%	4	15	−73%	4	15	−73%

	FOR MONTH			YEAR TO DATE		
	JAN '84	JAN '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	$5,373,247	$4,188,141	+26%	$5,373,247	$4,188,141	+26%
TOTAL UNIT SALES	334	288	+16%	334	228	+16%
NEW UNIT SALES	215	179	+20%	215	179	+20%
USED UNIT SALES	119	109	+9%	119	109	+9%

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross section of the U.S. dealer body. DAB dealerships range in size from very small (less than a million dollars in annual sales) to very large (more than $15 million in sales). Some specialize in one RV type; others offer two or more types. This report is an attempt to reflect the current retail sales picture—to show how dealers are doing. It does not purport to indicate RV production or factory sales to dealers.

At the retail level, January sales got '84 off to a good start. It wasn't quite the increase over the previous January that we saw last year, but, considering that last year was a real boomer, even a modest increase would be great.

Most dealers on the Dealer Advisory Board reported good profits. Motorhomes scored particularly well, as did used units of all kinds. Four categories of new unit sales were higher than in the previous January. Only one type dropped—travel trailers. Dealers are expecting a harder battle this year, but a very successful one.

MOTORHOMES:

The increase over last January is modest when compared to the 133% upsurge last year; however, it was easy to beat '82. Getting plus numbers this year will be more difficult. From all indications, though, the motorhome bandwagon will continue. Profits were rated excellent to good by most dealers of that type. Used units still enjoy great demand, which is quite likely to continue throughout '84.

TRAVEL TRAILERS:

The drop for the month isn't large, but any drop is noticeable. Most dealers of this type were off just a bit from the preceding January. Most rated profits as good, however. Used units moved at about the same pace as they did last year, but there is some concern by some dealers that trailer prices will get softer. The supply is growing.

TRUCK CAMPERS:

The sales figures are quite small, but new sales were fine in terms of percentage of increase. Profits were rated excellent to good. The drop of one unit in used units doesn't signify much. Dealers generally are selling used units at good profits.

CAMPING TRAILERS:

New units have taken off with a bang this year after a very poor start in '83. A couple of the dealers on the DAB who were in early shows were quite happy with the results. Profits were generally rated good; however, a couple of dealers who were closing out their '83s fell flat.

FIFTH-WHEELS:

The 60% new-unit jump over last January is the best for any type this month. The dealers who are pushing this type are on to something good. There's no explanation for the enormous drop in used-unit sales. Profits were rated all the way from poor to excellent. Δ

WDA QUARTERLY SALES FIGURES

RVBusiness publishes a quarterly report of sales statistics from the Warehouse Distributors Association. The charts shown here are based upon a representative sampling of WDA members, as compiled in the fourth quarter of 1983. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	FOURTH-QUARTER SALES VOLUME	
	PERCENT CHANGE 1982 to 1983	RANGE OF CHANGE
REGION 1	+28.2%	+66.0% to − 3.9%
REGION 2	+27.7%	+45.1% to −20.0%
REGION 3	+ 5.5%	+53.1% to − 2.9%
REGION 4	+21.1%	+28.9% to −33.5%
REGION 5	+31.1%	+37.2% to −28.7%
REGION 6	+47.3%	+91.5% to −22.5%

SALES VOLUME

	1983 YEAR-END SALES VOLUME	
	PERCENT CHANGE 1982 TO 1983	RANGE OF CHANGE
REGION 1	+23.2%	+41.9% to + 6.6%
REGION 2	+32.2%	+45.1% to −20.0%
REGION 3	+14.2%	+67.8% to −13.1%
REGION 4	+16.8%	+21.0% to − 9.1%
REGION 5	+19.3%	+37.7% to −20.2%
REGION 6	+32.5%	+51.9% to +16.0%

Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.

RVIA, JANUARY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during January 1984 was 29,000 units, up 20.8% from January of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in Jan. 1984		Jan. 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	7,100	4,800	+47.9%	7,100	4,800	+47.9%
FIFTH-WHEELS	1,500	1,000	+50.0%	1,500	1,000	+50.0%
TRUCK CAMPERS	300	300	0	300	300	0
MULTI-USE VEHICLES	11,000	11,800	− 6.8%	11,000	11,800	− 6.8%
TYPE A: MOTOR-HOMES	3,400	1,900	+78.9%	3,400	1,900	+78.9%
TYPE B: VAN CAMPERS	400	300	+33.3%	400	300	+33.3%
TYPE C: MINI MOTOR-HOMES	2,800	1,500	+86.7%	2,800	1,500	+86.7%
FOLDING CAMPING TRAILERS	2,500	2,400	+ 4.2%	2,500	2,400	+ 4.2%
TOTALS	29,000	24,000	+20.8%	29,000	24,000	+20.8%

RV BUSINESS

MAY 1984 $2.00

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SERVICE WITH A SMILE-- All The Way To The Bank

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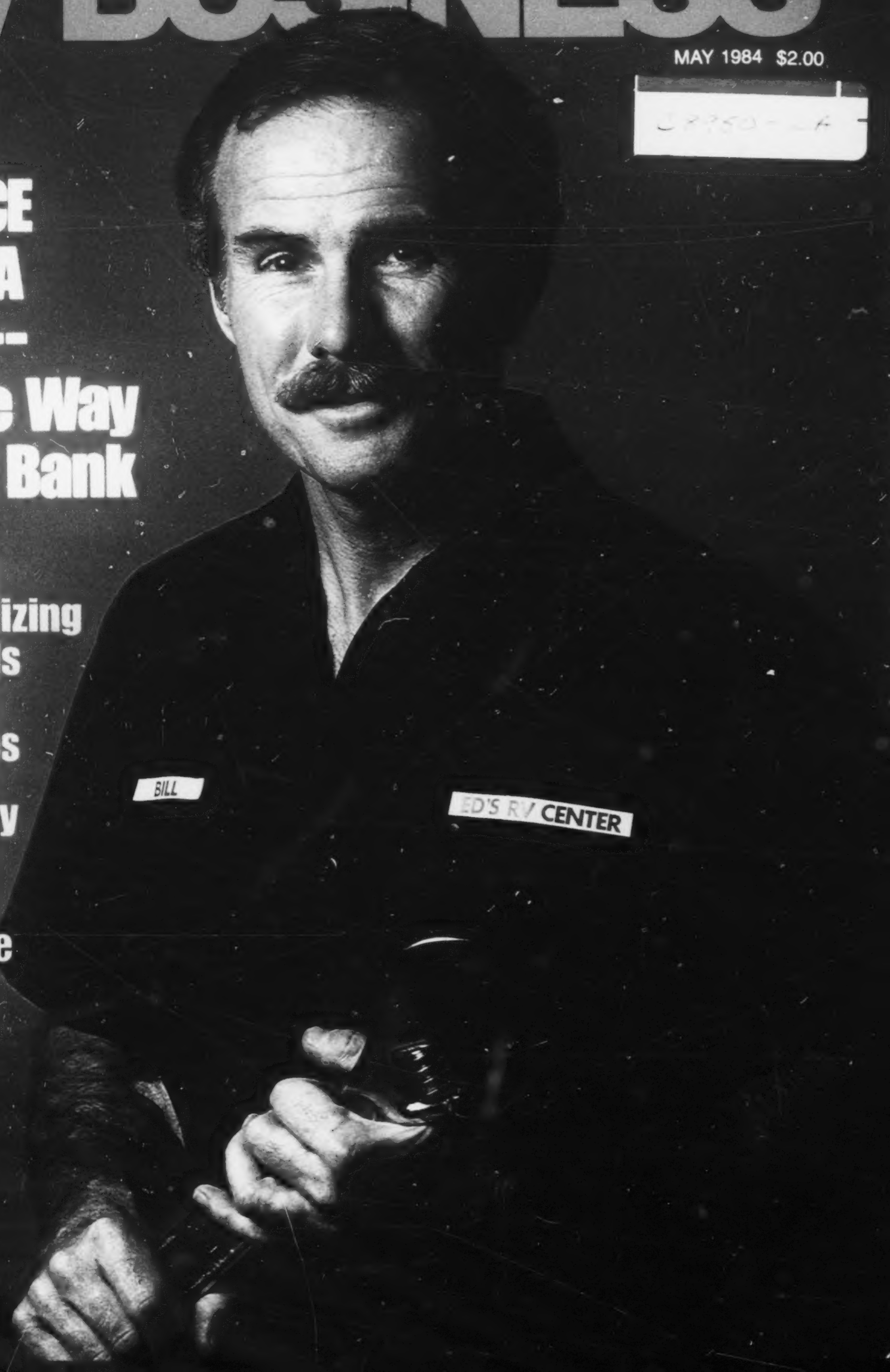
Dealer Of Year Search Begins



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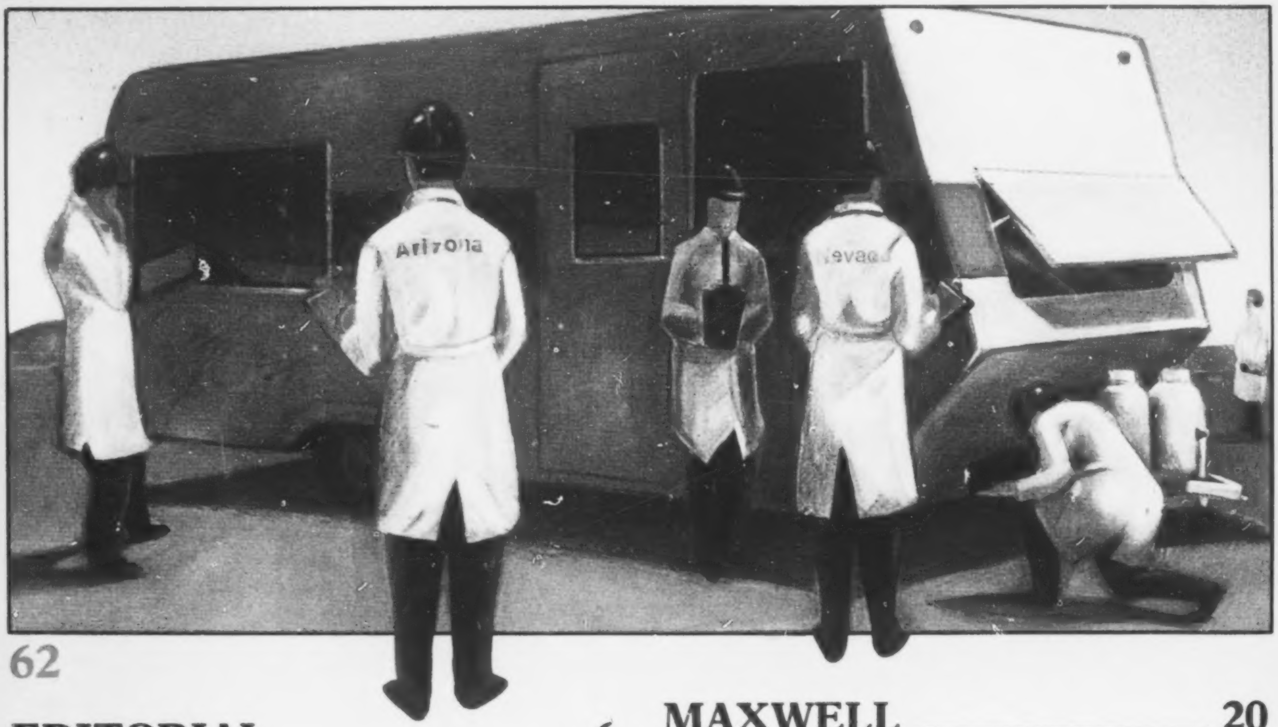

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ON THE COVER: *The service department can be overlooked and disregarded as a "necessary evil," or it can be a real boon to a company's bottom line. Suggestions on how your service department can make the latter happen begin on page 54. Photo by Ed Ikuta.*

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Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR TO DATE			FOR MONTH			YEAR TO DATE		
	FEB '84	FEB '83	% CHANGE	1984	1983	% CHANGE	FEB '84	FEB '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	**91**	**73**	**+25%**	**166**	**142**	**+17%**	**77**	**58**	**+33%**	**134**	**99**	**+35%**
TRAVEL TRAILERS	85	64	+33%	137	115	+19%	66	74	−11%	101	112	−10%
TRUCK CAMPERS	**12**	**13**	**− 8%**	**19**	**17**	**+12%**	**23**	**17**	**+35%**	**30**	**22**	**+36%**
CAMPING TRAILERS	177	108	+64%	220	133	+65%	29	29	Same	36	38	− 5%
FIFTH-WHEELS	**32**	**23**	**+39%**	**61**	**45**	**+36%**	**9**	**9**	**Same**	**12**	**24**	**−50%**

	FOR MONTH			YEAR TO DATE		
	FEB '84	FEB '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	**$7,031,083**	**$5,393,549**	**+30%**	**$12,399,920**	**$9,580,550**	**+29%**
TOTAL UNIT SALES	628	468	+34%	916	747	+23%
NEW UNIT SALES	**397**	**281**	**+41%**	**603**	**452**	**+33%**
USED UNIT SALES	231	187	+24%	313	295	+ 6%

The RV retail scene is very upbeat. Dealers generally showed a respectable improvement over last February, and figures for the year to date show that a banner year is in the making.

Percentages of increase aren't as great this year as last, but circumstances are very different. In 1982, sales were relatively low, making the boom in '83 appear unusually great. Comparisons between '83 and '84 may not show the enormous percentage increases we saw last year, but in terms of units and dollars, this will possibly be the best RV year ever.

New unit sales are better than those for used. For some reason, the latter is in a rather flat mode. It will undoubtedly pick up as the weather warms. First-time buyers are often used buyers. They tend to be more active as vacation time approaches.

Profits have picked up, too. After the winter months during which dealers traditionally have leaner pickings, they're working for good grosses again—and getting them.

MOTORHOMES:

Indications are that '84 will be another very strong year for motorized, both new and used. In spite of the fact that prices have risen to what seems to be astronomical heights, buyers have caused factory backlogs. Mini sales have picked up nicely and are running not far behind Class A's. The only dark cloud on the motorhome horizon is the growing number of new dealers, particularly car dealers. If ever the supply outstrips demand, the situation is ripe for tumbling grosses. It is hoped that the industry will exercise restraint in dealer placement.

TRAVEL TRAILERS:

After a very slow start in January, travel trailers have found a new, much faster track. With sales running 33% over last February, it is apparent that trailer buyers are out in force. Not many dealers are getting outstanding unit numbers, but everybody is getting a good share of the action. Used units aren't turning as well as they should, however. Perhaps the demand will grow during late spring. Profits are rated good.

TRUCK CAMPERS:

This is the only category to have a drop in new unit sales, but it is a very small decline. For the first two months of the year, sales are still up, however. Used units are doing exceptionally well. Profits are rated from good to excellent.

CAMPING TRAILERS:

Sales of this type are outstanding! It's the best start in many years and could be indicative of a real banner year. Obviously, the fact that the employment picture is much better for younger families (buyers of this RV type) means that family vacations are being planned for this summer. Most of the dealers on the Dealer Advisory Board who have strong camping trailer sales efforts, especially shows, have great starts for the year. Profits were rated higher for this category than for any other.

FIFTH-WHEELS:

New-unit sales are tremendous, running well ahead of '83, which was a great fifth-wheel year. It still takes a specialist in this type—with an excellent inventory—to get the numbers. A dealer can't expect to do much of a sales job with two or three units mixed in with other inventory. This type sells best to the retiree who is looking for comfort. They're popular with people with rural backgrounds. The used numbers don't look good for the first two months, but that will change quickly. Fiver profits are rated good to excellent. Δ

RVIA, FEBRUARY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during February 1984 was 32,500 units, up 31.0% from February of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in Feb. 1984		Feb. 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	6,100	4,900	+24.5%	13,200	9,700	+36.1%
FIFTH-WHEELS	1,500	1,000	+50.0%	3,000	2,000	+50.0%
TRUCK CAMPERS	700	400	+75.0%	1,000	700	+42.9%
MULTI-USE VEHICLES	12,400	10,700	−15.9%	23,400	22,500	− 4.0%
TYPE A: MOTOR-HOMES	3,800	2,300	+65.2%	7,200	4,200	+71.4%
TYPE B: VAN CAMPERS	900	500	+80.0%	1,300	800	+62.5%
TYPE C: MINI MOTOR-HOMES	3,700	1,900	+94.7%	6,500	3,400	+91.2%
FOLDING CAMPING TRAILERS	3,400	3,100	+ 9.7%	5,900	5,500	+ 7.3%
TOTALS	32,500	24,800	+31.0%	61,500	48,800	+26.0%

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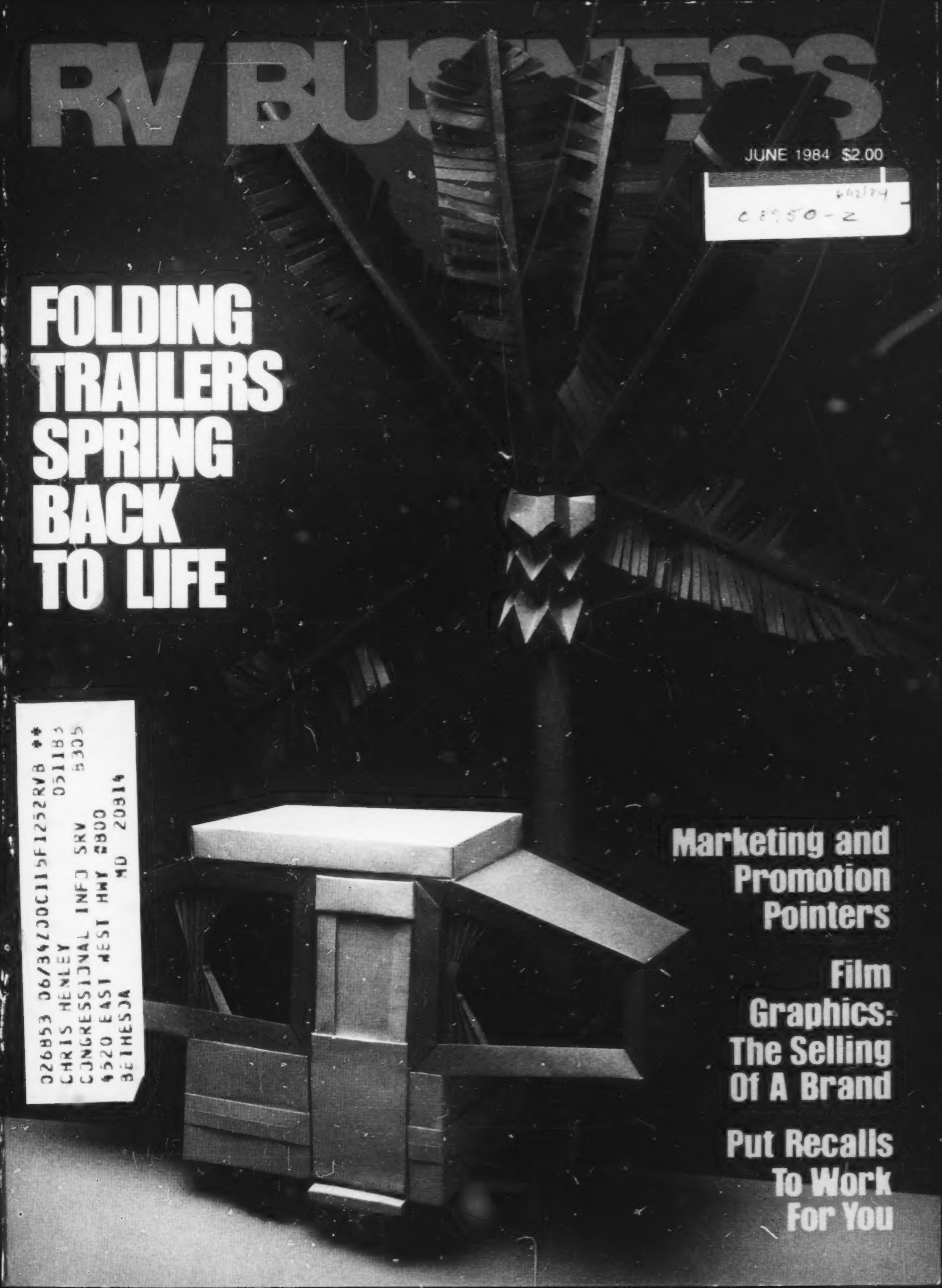

FOLDING TRAILERS SPRING BACK TO LIFE

026853 06/34Z00C115F1252RVB **
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Marketing and Promotion Pointers

Film Graphics: The Selling Of A Brand

Put Recalls To Work For You

RV BUSINESS

A TL ENTERPRISES PUBLICATION
JUNE 1984/VOL. 35, NO. 3

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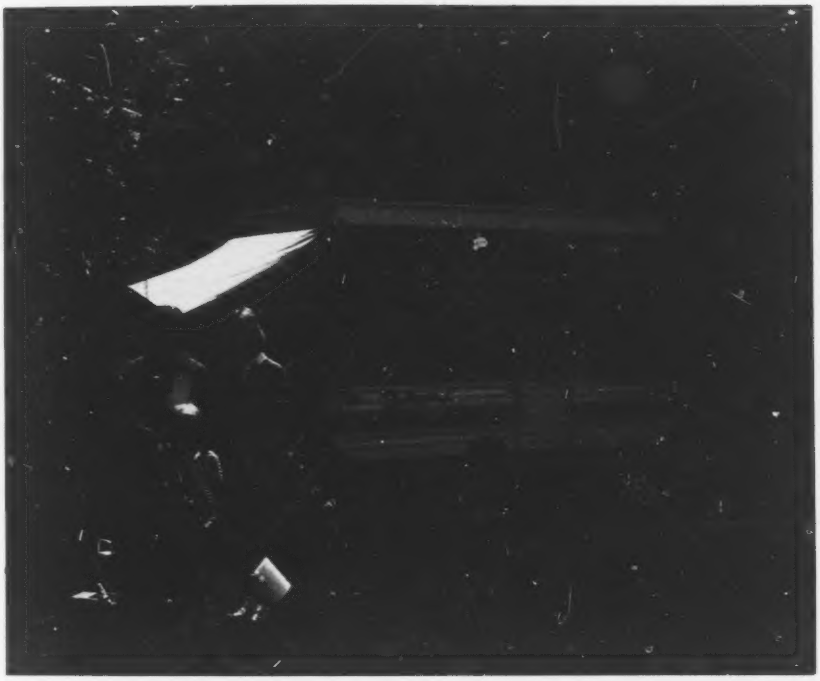

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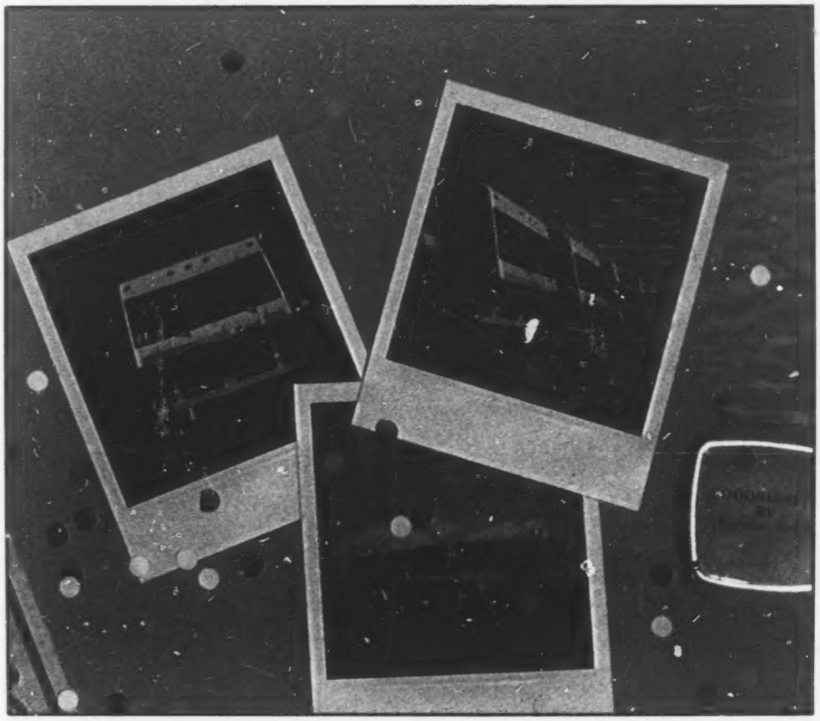

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On The Cover: They've been called "those magnificent folding machines." Beginning on page 58, read about how they're "unfolding" in the marketplace. Photo by Hal Hunt.

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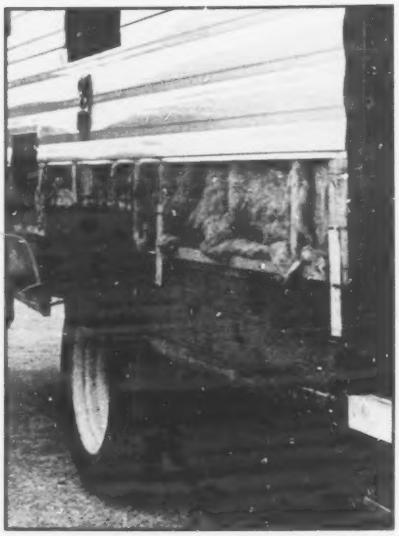

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Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR TO DATE			FOR MONTH			YEAR TO DATE		
	MARCH '84	MARCH '83	% CHANGE	1984	1983	% CHANGE	MARCH '84	MARCH '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	127	123	+23%	290	237	+22%	94	81	+16%	228	177	+29%
TRAVEL TRAILERS	106	100	+ 6%	240	216	+11%	109	85	+28%	219	192	+14%
TRUCK CAMPERS	24	15	+60%	43	30	+43%	17	21	−19%	66	42	+57%
CAMPING TRAILERS	164	173	− 5%	384	304	+21%	39	38	+ 3%	69	64	+ 8%
FIFTH-WHEELS	47	32	+47%	105	69	+65%	14	8	+75%	26	29	−10%

	FOR MONTH			YEAR TO DATE		
	MARCH '84	MARCH '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	$9,315,610	$7,631,850	+22%	$21,680,794	$16,015,621	+35%
TOTAL UNIT SALES	741	656	+13%	1,742	1,360	+28%
NEW UNIT SALES	468	423	+11%	1,134	856	+32%
USED UNIT SALES	273	233	+17%	608	504	+21%

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross section of the U.S. dealer body. DAB dealerships range in size from very small (less than a million dollars in annual sales) to very large (more than $15 million in sales). Some specialize in one RV type; others offer two or more types. This report is an attempt to reflect the current retail sales picture—to show how dealers are doing. It does not purport to indicate RV production or factory sales to dealers.

March retail sales figures for RVB's Dealer Advisory Board show that the good start dealers made in January and February continues; they suggest that it will continue unabated through the first half of the year.

Profits aren't bad, but they are down a bit. Competition is getting stiffer, and dealers are reporting they're taking skinny deals just to keep customers from taking their competitors' skinny deals. It was predicted in this column last month that the playing field will get a bit bloody before this year is over. Reports for March give no indication that that prediction should be altered.

MOTORHOMES

America's love affair with motorized homes is becoming more torrid. Only the fact that high prices rule out about 85% of the population from any possibility of ownership keeps the scene from getting really wild. Most motorhome dealers on the DAB are running ahead of last year. Class A's are still the big draw, but C's are gaining. There aren't enough used units to satisfy demand, and likely won't be this year.

Competition is getting stiffer for the motorhome dealer. The car people are coming back in droves. The pinch is being felt in some areas already; that pinch may become a bite before the summer is over. Some former motorhome dealers who dropped out during the last crunch in favor of trailers are back in the game. Those DABers who have done so are experiencing success.

TRAVEL TRAILERS

The sales increase over last March isn't great, but this type is better than holding its own. The year-to-date increase is the smallest of any of the new unit categories. There's much speculation about why trailers aren't picking up as fast as other RV types, but no answers.

Dealers say all sizes and prices are selling. Smaller units have been moving better than they have for some time—an indication that the working man is thinking vacation again. Assuming that the economy continues its upward swing, there's every reason to expect that trailer sales will improve. Used trailers are still moving well, but profits have weakened.

TRUCK CAMPERS

Although the unit numbers aren't large, the monthly percentage increase indicates that campers are enjoying a comeback. As with other RV types, the specialists are getting the bulk of the business. It's no easier now for the department store type of dealer to make sales from a couple of units than it was a decade ago. You have to be serious about what you are doing if you expect to do well with any RV type. That means good inventory, good display, knowledgeable salesmen and proper service.

CAMPING TRAILERS

After an exceptionally good start this year, the folding trailers took it on the chin a bit in March. Down 5% isn't much, but being down at all looks bad on the very positive reports we have been getting so far this year. For the year to date, however, the figure is still on the plus side. Perhaps whatever accounted for the drop in March will be compensated for in the following months. One member of the DAB who sells a lot of camping trailers regularly delivered 45 units in March. That's a lot of business in anyone's book—especially when profits are rated excellent.

FIFTH-WHEELS

For dealers who, more or less, specialize in this type, business has been super. Two members of the DAB enjoy that situation. Thirty-one of the 47 units reported for the month are due to their efforts. The 65% year-to-date increase in new units sold over last year's first quarter is very impressive. The 10% drop in used sales represents a drop of only three units—a figure than can change quite rapidly. Δ

RVIA, MARCH

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during March 1984 was 41,600 units, up 24.2% from March of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in March 1984		March 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	8,400	6,900	+21.7%	21,600	16,600	+30.1%
FIFTH-WHEELS	2,000	1,500	+33.3%	5,000	3,500	+42.9%
TRUCK CAMPERS	1,100	800	+37.5%	2,100	1,500	+40.0%
MULTI-USE VEHICLES	17,000	14,000	+21.4%	40,400	36,500	+10.7%
TYPE A: MOTOR-HOMES	4,100	2,700	+51.9%	11,300	6,900	+63.8%
TYPE B: VAN CAMPERS	500	800	–37.5%	1,800	1,600	+12.5%
TYPE C: MINI MOTOR-HOMES	3,800	2,700	+40.7%	10,300	6,100	+68.9%
FOLDING CAMPING TRAILERS	4,700	4,100	+14.6%	10,600	9,600	+10.4%
TOTALS	41,600	33,500	+24.2%	103,100	82,300	+25.3%

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Raw Materials And RV Prices

Pickup Caps Are Back!

Complying With Emission Standards

South Bend Show

Complete Calendar, Floorplans, Listings

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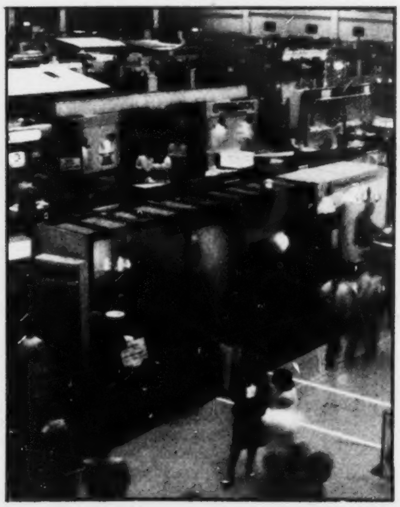

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Barometer

JOHN THOMPSON

CHEAP STOCKS

More good press for the RV industry; this time in the May 2-15, 1984, issue of *Financial World*. Among many glowing observations: Coachmen is undervalued and has had the highest year-to-year gain in net margins; Fleetwood has no debt, good cash reserves plus the "buffer" of a substantial manufactured housing business to soften any decline in RV demand; and Winnebago promises a bright future with several innovative products and heavy commitment to the rental business. The article praises the industry's excellent recovery, the overall boost in RV quality, and good future demographics. "Analysts say these stocks are cheap in comparison to how they traditionally sell in relation to the overall market. . . ." says the author, while at the same time suggesting that the "easy money" in these stocks may already have been taken.

COACHMEN RESULTS

Coachmen's first-quarter sales of $155.4 million were up 60% above the $96.9 million reported for the similar period last year. In commenting on the previously announced election to the ranks of the Fortune 500, Tom Corson and C. Ray Johnson noted that within those 500 companies chosen for largest overall sales, Coachmen earned the following ratings: No. 2 in sales increase, No. 8 for return on shareholder equity, No. 5 for earnings per share growth rate over the past 10 years, No. 9 for total return to shareholders and No. 1 for total return to shareholders over the past 10 years with an average annual return of 49.19%.

PAYING FOR PROFITS

Zimmer's first-quarter sales rose 19% to $45.9 million vs. last year's first-quarter sales of $38.5 million, while earnings for the period sunk from $516,000 to $219,000. Paul Zimmer explained that earnings were adversely effected by new-product development expenses. Most of these costs are now behind the company, and Zimmer predicted that the investment will create improved performance during the quarters to come. Of special interest are a minivan conversion on Chrysler's T115 chassis (to be made by Zimmer Motor Vans in Georgia) plus several new motorhomes from the Mobile Traveler division. Among the latter are the Viscount, a Class A motorhome in 27- to 34-foot lengths, the Jubilee 23- and 26-foot Class C's, and a line of travel trailers from 25 feet to 32 feet. Mobile Traveler executives say that the long-awaited Astron motorhome is now in production and being shipped to dealers.

203% MORE PROFITABLE

Winnebago's second-quarter sales of $88.2 million rose 90% above last year's second-quarter sales of $46.3 million and generated a 203% improvement in overall profits. First-half sales thus become $162.3 million compared to last year's $84.1 million . The company's new body front-wheel-drive vehicles introduced last year already account for 20% of current sales volume, says President Ron Haugen. During the current quarter, Winnebago also began producing its new line of Elandan and Windcruiser Class A's that will compete in the retail arena at the $46,000 level.

LOOKING GOOD

Champion's dollar sales of motor vehicles (including motorhomes and buses) for the fiscal year ended March 2, 1984, rose 37% from $38.4 million to $52.5 million. Factory unit shipments rose 32% from 1,386 to 1,836 motor vehicles. Overall company sales for the fiscal year were $353.3 million, up 28% (85% of Champion's revenue comes from sales of manufactured homes).

ANOTHER NEW RECORD

Preliminary reports show Fleetwood's fourth-quarter sales standing at $413 million, up 36% over the $303.4 million reported in last year's fourth quarter. That is the sixth consecutive record-setting quarter for the company. It brings annual sales up to $1.4 billion, a 66% increase over last year's $858 billion. RV sales for the latest quarter were approximately $283 million, a 48% improvement. "The motorhome division led the RV increase with a . . . 61% increase in sales to about $192 million," says the company report. "Travel-trailer sales grew by 26% in the period to over $91 million." While President Glenn Kummer observed that dealer sales during the quarter were effected by bad weather, he looks for better retail results " . . . if interest rates do not rise much further and consumer confidence stays reasonably high."

OPINION

As usual, the economic news simultaneously presents a good and bad countenance. The good news is that the "overactive" economy, which was predicted to choke on its own gluttony during 1984, has managed to tame its appetite, thus theoretically forestalling doom. The bad news is that a rising prime rate is the key factor in holding the recovery to a healthier pace. In the long term, the slowdown is quite positive as we want the recovery to move along smoothly into and through 1985. But if the brakes go on too hard (i.e., interest rates rise to an unhealthy plateau), we could easily re-create the recession. From many past experiences, we know just how sensitive some segments of the RV industry can be to fluctuating finance costs. As this column is being assembled, some dealers are reporting a tangible sluggishness on the part of normally credit-sensitive customers. Those dealers who have managed to lower consumer credit costs, either themselves or through manufacturer-devised programs, have found themselves enjoying a buffer against the effects of a higher prime. Certainly, if the price of credit were to continue upward, such a buffer would quickly loose its potency; for the time being, there are demonstrable benefits. Ideally, we would like to see the prime resting precisely where it would encourage smooth growth and retard excesses. Until we

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Prior to joining RVB as a contributing editor, John Thompson was an investment banker with a New York Stock Exchange member firm. He specialized in corporate finance, mergers and acquisitions. He was also a principal in a federally chartered small-business investment company, which was active in real estate development projects. Thompson is now a widely published author who writes regularly for all TL publications and has authored two books for TL Enterprises.

Table 1. Industry Statistics: 1982 and Earlier Census Years

[Number of establishments shown represents only those in business at end of particular census year. All other figures are included for establishments in business at any time during particular census year. For meaning of symbols, see text]

Year	All establishments		Establishments with payroll			
	Number	Sales ($1,000)	Number	Sales ($1,000)	Annual payroll ($1,000)	Paid employees for pay period including March 12 (number)
1982[1]	†	†	2 475	2 772 171	233 521	16 390
1977[2]	5 234	2 896 364	3 237	2 777 723	207 369	20 205
1972[3]	*	*	2 251	1 167 290	82 064	11 579
1967[3]	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)

Note: See footnotes 1, 2, and 3 at end of table 2.

Table 2. Sales of Major Merchandise Lines as Percent of Total Sales: 1982 and Earlier Census Years

[Includes only establishments with payroll. For meaning of symbols, see text]

Merchandise line	1982[1]	1977[2]	1972[3]	1967[3]
All merchandise	**100.0**	**100.0**	**100.0**	**(NA)**
Sporting goods	.6	.7	90.9	(NA)
Recreational vehicles	88.3	91.4		
New camping trailers	5.7	(NC)	(NA)	(NA)
New travel trailers	20.2	(NC)	(NA)	(NA)
New truck campers	4.1	(NC)	(NA)	(NA)
New motor homes	27.9	(NC)	(NA)	(NA)
Used recreational vehicles	23.3	(NC)	(NA)	(NA)
All other including parts and equipment	7.1	6.7	(NA)	(NA)
Cars, trucks, and powered vehicles	1.9	1.8	1.5	(NA)
Automotive fuels	.3	.2	.1	(NA)
Auto tires, batteries, and accessories	.2	.2	.6	(NA)
Utility trailers	1.8	(NA)	(NA)	(NA)
Nonmerchandise receipts	5.2	3.6	3.2	(NA)
Labor charges	2.4	1.9	(NA)	(NA)
Parts installed in repair	1.9	1.2	(NA)	(NA)
Vehicle rental and leasing	.5	.3	(NA)	(NA)
Other nonmerchandise receipts	.4	.2	(NA)	(NA)
All other receipts	1.7	(NC)	(NC)	(NA)

[1] Leased departments classified in this industry are included as if they were separate establishments.

[2] Data adjusted for comparable treatment of leased departments between 1977 and 1982.

[3] Comparability of statistics with 1977 and 1982 may be slightly affected by different treatment of leased departments.

have mastered the art of economic engineering, however, we'll simply have to learn ways of graciously going with the flow. Manipulating credit is perhaps only one of many stabilizing techniques available to a credit-conscious industry. Today's laboratory of reality does offer a unique opportunity to see what does and doesn't work.

IN BRIEF

As an industry, travel and tourism outperformed the overall economy through the recent recession. * * **Coachmen** has agreed to buy **United Sales and Warehouse of Texas**, an $18.5 million annual sales wholesale distributor of RV and mobile home parts, to enhance its Coach-Lite operation in the Southwestern market (*see page 135, "Industry News"*). * * **Foremost** reported first-quarter operating income of $1.9 million, down from $4.9 million for the same period last year, primarily due to severe property and casualty losses on the East Coast. * * **Pentair** has purchased the entire machinery manufacturing operations of **Rockwell Power Tool**. * * **Chrysler** has decided to spend up to $400 million on increasing production of its popular new front-wheel-drive minivan. * * **General Electric Credit** reported earned income for 1983 of $1,949,211,000 vs. $1,938,551,000 for fiscal 1982, while net earning rose to $271 million from $204.7 million in the same interval. * * **American Bankers Insurance** earned revenues for the latest fiscal year were $297.9 million, up 13% from the previous year.

CENSUS TALK

Appended to this column are preliminary results of the 1982 census report on recreational and utility trailer dealers. While the data includes both types of product, bear in mind that RVs account for nearly 90% of the various sales figures; thus, the statistics are heavily weighted. Read simply as a collection of data, the material is interesting enough. Play with the figures yourself, though, and you'll come up with a number of thought-provoking perspectives.

Table 3. Comparative Industry Statistics for States: 1982 and 1977

[Number of establishments shown represents only those with payroll in business at end of particular census year. All other figures are included for establishments with payroll in business at any time during particular census year. For meaning of symbols, see text]

Geographic area	Establishments[1]		Sales[1]		Annual payroll[1]		Paid employees for pay period including March 12[1]	
	1982 (number)	1977 (number)	1982 ($1,000)	Percent change 1977 to 1982	1982 ($1,000)	Percent change 1977 to 1982	1982 (number)	Percent change 1977 to 1982
United States	**2 475**	**3 237**	**2 772 171**	**-.2**	**233 521**	**12.6**	**16 390**	**-18.9**
Alabama	23	41	24 057	-21.2	1 465	-21.2	127	-36.8
Alaska	7	10	6 872	-31.4	843	5.2	41	-34.9
Arizona	50	47	80 495	37.6	8 415	46.6	524	.8
Arkansas	22	19	16 629	-.5	1 321	24.3	129	27.7
California	337	444	525 437	-8.9	47 476	13.1	2 866	-22.6
Colorado	51	68	58 264	-2.9	5 711	21.3	334	-22.2
Connecticut	16	22	12 184	-23.0	1 482	18.4	90	-19.7
Delaware	8	13	4 039	-42.1	332	-20.2	25	-50.0
District of Columbia	1	-	(D)	(D)	(D)	(D)	(D)	(D)
Florida	136	149	196 519	75.2	17 282	100.6	1 379	43.6
Georgia	36	54	28 133	-40.5	2 548	-31.2	217	-41.7
Hawaii	1	-	(D)	(D)	(D)	(D)	(D)	(D)
Idaho	28	43	22 145	-19.6	1 346	-31.0	154	-30.0
Illinois	85	127	73 262	-24.5	5 832	-25.2	433	-41.4
Indiana	83	108	96 391	6.1	7 489	18.5	505	-21.1
Iowa	45	58	40 185	-37.6	3 328	-15.5	246	-33.0
Kansas	41	57	28 900	-17.3	2 131	-12.2	176	-32.6
Kentucky	25	30	15 750	-20.7	1 092	-26.1	121	-17.1
Louisiana	36	36	37 855	32.2	2 472	11.5	209	-7.1
Maine	14	20	7 072	-28.1	463	-41.0	41	-52.9
Maryland	28	47	31 597	-18.9	2 765	-19.1	244	-33.9
Massachusetts	27	41	26 599	10.5	2 142	-.5	167	-32.4
Michigan	126	189	120 041	-20.1	9 270	-24.0	622	-42.9
Minnesota	52	72	49 961	-16.6	4 195	-1.4	316	-20.0
Mississippi	14	24	11 056	-4.0	862	8.6	68	-33.3
Missouri	46	69	40 093	-7.4	3 376	4.3	235	-34.7
Montana	15	18	25 782	81.9	2 306	123.4	177	68.6
Nebraska	25	34	22 736	-20.3	1 858	-5.6	131	-37.9
Nevada	17	15	39 553	108.1	2 779	47.2	201	44.6
New Hampshire	17	22	21 342	19.4	1 908	13.8	129	-25.9
New Jersey	38	59	31 658	-18.4	2 645	-5.8	180	-40.0
New Mexico	33	35	26 697	8.5	2 553	34.1	201	-6.1
New York	98	135	81 316	1.6	6 471	.8	527	-20.3
North Carolina	35	62	39 355	3.9	2 948	1.8	215	-32.0
North Dakota	7	17	17 814	13.5	990	-9.0	59	-51.6
Ohio	119	166	98 977	-32.2	8 431	-18.7	628	-34.8
Oklahoma	35	57	55 041	38.9	4 532	72.1	290	-.4
Oregon	61	84	85 238	-12.3	6 149	-10.7	376	-36.0
Pennsylvania	120	146	90 789	-9.0	6 791	-4.0	571	-30.3
Rhode Island	4	10	(D)	(D)	(D)	(D)	(D)	(D)
South Carolina	24	22	14 748	9.6	1 330	29.6	134	25.2
South Dakota	12	20	10 490	-25.2	662	-33.2	51	-46.9
Tennessee	35	43	45 574	45.2	4 100	100.2	296	18.4
Texas	198	180	258 142	85.3	21 416	123.3	1 421	44.6
Utah	25	30	32 340	33.2	2 300	34.8	174	-9.9
Vermont	5	6	3 179	82.1	310	110.9	20	5.3
Virginia	47	59	35 663	-7.7	3 388	18.3	255	-18.0
Washington	82	111	115 698	-21.4	10 194	-10.0	654	-30.3
West Virginia	23	32	15 089	5.7	1 329	8.2	111	-27.0
Wisconsin	54	72	33 437	-25.3	2 724	-22.0	228	-39.9
Wyoming	8	14	8 277	-8.1	703	7.0	41	-38.8

[1] Leased departments classified in this industry are included as if they were separate establishments. Data for 1977 adjusted for comparable treatment of leased departments between 1977 and 1982.

One such observation is that total 1982 revenues for 2,475 dealers just about equaled the efforts of 3,237 dealers in 1977. That seems to be the age-old benefit of adverse times (i.e., while some participants are forced out, the survivors emerge as much stronger entities). Another interesting use for these numbers is to see how the typical dealer fared. On a nationwide scale, for instance, the statistically average dealer rang up 1982 sales of $1.1 million vs. $858,000 in 1977 (although the comparison is not adjusted to reflect inflation). As you'll see, however, the averages for individual states are quite different. Listed in order of the quantity of competition within each state, a typical California dealer reported $1.6 million in 1982 sales, his Texas counterpart did $1.3 million and the typical Florida dealer reported $1.5 million. In states with a lower dealer concentration, Arizona, Colorado, Minnesota, Missouri, Virginia and Wisconsin each had about 50 dealers, but annual sales for the typical establishment were (in $millions): 1.6, 1.1, .96, .87, .76 and .62, respectively. Two states with very few dealers (Nevada and North Dakota) had especially high sales per dealer: $2.3 million and $2.5 million, respectively. North Dakota also led the parade by a huge margin when it came to measuring the sales generated by each employee, with Oregon, South Dakota, Wyoming, Nevada and Indiana following in that order. Once again, North Dakota ranks high when it comes to wages paid per employee, but Alaska leads the pack by a safe margin. The real value of such statistics goes beyond noting that there is more business to be garnered in one state than in another. After all, you're not going to pack up and move everything to North Dakota. It is interesting, however, to manipulate the numbers to see how your own business compares with the averages for your area. Calculating payroll as a percentage of sales, for instance, is one such yardstick. When you're through, you'll probably pinpoint areas that need polishing or refining, but you'll also find a few reasons for patting yourself on the back! Δ

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR TO DATE			FOR MONTH			YEAR TO DATE		
	APRIL '84	APRIL '83	% CHANGE	1984	1983	% CHANGE	APRIL '84	APRIL '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	113	126	–10%	401	374	+ 7%	74	82	– 10%	303	261	+16%
TRAVEL TRAILERS	94	131	–28%	319	346	– 8%	88	111	– 21%	301	314	– 4%
TRUCK CAMPERS	19	20	– 5%	64	57	+12%	20	9	+122%	89	51	+75%
CAMPING TRAILERS	221	172	+28%	689	500	+38%	34	40	– 15%	100	103	– 3%
FIFTH-WHEELS	44	27	+63%	149	102	+46%	13	9	+ 44%	38	44	–14%

	FOR MONTH			YEAR TO DATE		
	APRIL '84	APRIL '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	$8,451,141	$8,983,837	–6%	$29,591,613	$26,170,660	+13%
TOTAL UNIT SALES	720	727	–1%	2,453	2,152	+14%
NEW UNIT SALES	491	476	+3%	1,622	1,379	+18%
USED UNIT SALES	229	251	+9%	831	773	+ 8%

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross section of the U.S. dealer body. DAB dealerships range in size from very small (less than a million dollars in annual sales) to very large (more than $15 million in sales). Some specialize in one RV type; others offer two or more types. This report is an attempt to reflect the current retail sales picture—to show how dealers are doing. It does not purport to indicate RV production or factory sales to dealers.

Sales figures for many RV dealers took a very definite change for the worse in April. It was a shock after nearly two years of upswing to see pluses turn into minuses. Yet they are quite definitely in line with the trend that has been reported in this space for several months. The RV sales bubble has not burst, but it is taking a new shape insofar as the average dealer is concerned.

Overall, RV sales have not taken a downturn. More RVs are being sold now than ever before. What has happened is that the upswing has flattened out. That factor, combined with the increase in dealerships, has created a new ball game for those dealers who have been experiencing a field day for two years. In short, the pie isn't growing as fast and we have a lot more eaters.

Nine of the 22 dealers on RVB's Dealer Advisory Board (DAB) were down in sales from last April, some as much as 50%. Those who specialize in motorhomes and/or travel trailers suffered most. Profits were down too.

MOTORHOMES

Motorhome sales are at an all-time high, and probably so is the number of motorhome dealers. The gravy train that dealers of this RV type have ridden on so joyously for so long has definitely become overcrowded. Quite likely, some of them will be pushed off.

Although profits were rated good by many dealers, the April report shows more fair ratings than we have seen in two years.

It is almost certain that more motorhomes will be sold each year in the near future than have been sold in past years. It is also just as certain that motorhome dealers are going to have to scramble harder for a share of the market.

TRAVEL TRAILERS

This is the only category to show solid minuses. Sales are down for April and for the year-to-date, new and used. Most trailer dealers are struggling to maintain a status quo. Some are succeeding, but many are not.

There doesn't seem to be any rational explanation for the flattening out. The economy is much better—working people are working. Interest rates aren't out of sight. Yet families aren't buying travel trailers as fast as expected.

Profits have dropped, too. Three members of the DAB rated them poor.

TRUCK CAMPERS

New-unit sales dropped by one in April, but year-to-date sales are still up. Used sales were exceptionally good for the DAB. Profits were rated excellent by two dealers.

There's quite a bit of dealer turnover in the camper part of the RV industry. It seems that for every one that comes in, one drops out. Significant success is hard to come by, yet there are those who find their niches in the camper business.

CAMPING TRAILERS

This is definitely a bright spot in the RV business this year. New units are moving exceptionally well. If the trend continues, it will be the best folding-trailer year in a long time.

Undoubtedly, the fact that blue-collar employment is up accounts for increased sales of this RV type. Family camping is on the rise, and this segment of the industry marks the beginning point for many families.

Profits were rated good to excellent.

FIFTH-WHEELS

Those dealers on the DAB who carry strong fifth-wheel inventories and promote them properly are having a field day. It takes a lot of the latter. Those dealers who have had good displays at shows have generally found the results very satisfactory.

Profits are varied but strongest in the good column. Δ

WDA QUARTERLY SALES FIGURES

RVBusiness publishes a quarterly report of sales statistics from the Warehouse Distributors Association. The chart shown here is based upon a representative sampling of WDA members, as compiled in the first quarter of 1984. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	FIRST-QUARTER SALES VOLUME	
	PERCENT CHANGE 1983 to 1984	RANGE OF CHANGE
REGION 1	+22.1%	+33.6% to − 6.7%
REGION 2	+37.0%	+79.2% to − 6.3%
REGION 3	+17.3%	+52.3% to − 13.0%
REGION 4	+15.5%	+76.7% to −150.5%
REGION 5	+30.0%	+56.9% to − 3.1%
REGION 6	+25.1%	+52.5% to − 6.4%

These figures represent the first-quarter sales volume and also reflect year-to-date sales for 1984.

Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.

RVIA, APRIL

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during April 1984 was 44,000 units, up 22.2% from April of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in April 1984		April 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	9,500	8,800	+ 8.0%	31,100	25,400	+22.4%
FIFTH-WHEELS	2,500	1,800	+38.9%	7,500	5,300	+41.5%
TRUCK CAMPERS	900	800	+12.5%	3,000	2,300	+30.4%
MULTI-USE VEHICLES	17,100	14,200	+20.4%	57,500	50,700	+13.4%
TYPE A: MOTOR-HOMES	4,500	3,000	+50.0%	15,800	9,900	+59.6%
TYPE B: VAN CAMPERS	900	500	+80.0%	2,700	2,100	+28.6%
TYPE C: MINI MOTOR-HOMES	4,000	3,000	+33.3%	14,300	9,300	+57.1%
FOLDING CAMPING TRAILERS	4,600	3,900	+18.0%	15,200	13,500	+12.6%
TOTALS	44,000	36,000	+22.2%	147,100	118,300	+24.3%

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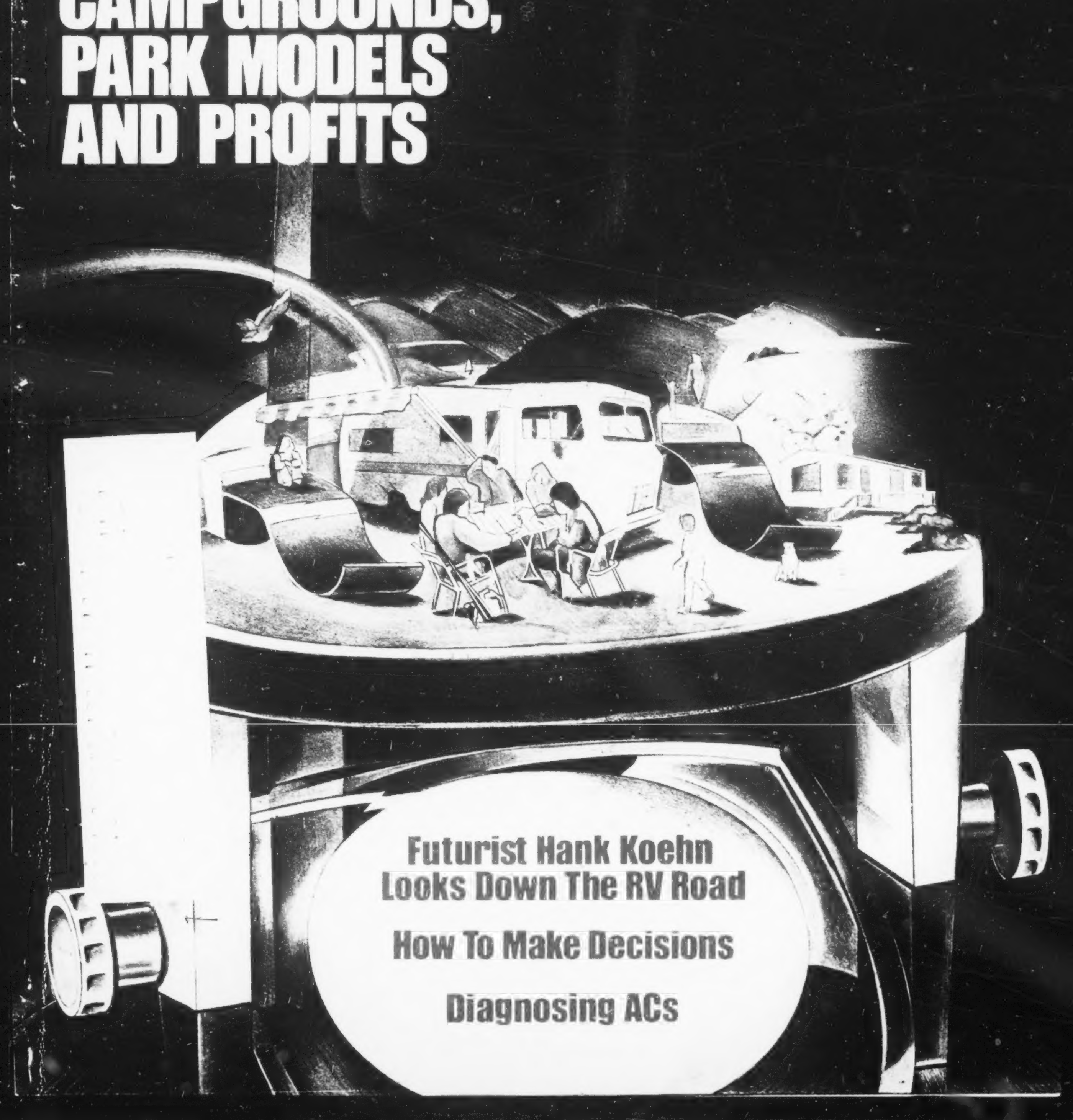
CLOSE-UP ON CAMPGROUNDS, PARK MODELS AND PROFITS



Futurist Hank Koehn Looks Down The RV Road

How To Make Decisions

Diagnosing ACs

A TL ENTERPRISES PUBLICATION
AUGUST 1984/VOL. 35, NO. 5

RV BUSINESS

ON THE COVER: To the uninformed, campgrounds are just another pebble on the RV beach. Seen under the microscope of inquiry, however, the campground industry is a real gem. See page 46. Illustration by Raphaelle Goethals.

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Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	131	119	+10%	529	480	+10%	93	84	+11%	381	342	+11%
TRAVEL TRAILERS	131	142	– 8%	460	462	–½%	84	103	–18%	382	416	– 8%
TRUCK CAMPERS	25		+79%	85	65	+10%	18	20	–10%	105	81	+30%
CAMPING TRAILERS	218	174	+25%	871	631	+38%	37	30	+23%	134	128	+ 5%
FIFTH-WHEELS	36	31	+16%	179	130	+38%	7	7	+ 0%	45	49	– 8%

	FOR MONTH			YEAR-TO-DATE		
	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	$9,999,650	$8,451,141	+12%	$38,443,648	$33,403,229	+15%
TOTAL UNIT SALES	780	724	+ 8%	3171	2784	+14%
NEW UNIT SALES	541	480	+13%	2124	1768	+20%
USED UNIT SALES	239	244	– 2%	1047	1016	+ 3%

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross section of the U.S. dealer body. DAB dealerships range in size from very small (less than a million dollars in annual sales) to very large (more than $15 million in sales). Some specialize in one RV type; others offer two or more types. This report is an attempt to reflect the current retail sales picture—to show how dealers are doing. It does not purport to indicate RV production or factory sales to dealers.

May was a mixed bag for the Dealer Advisory Board (DAB). Although sales volume was slightly higher than last year's, it is becoming apparent that rocketing RV sales have orbited. The year-to-date increase for the first five months of '83 was 53%; this year it is 15%. Sales are good; for the immediate future, the average dealer will have to settle for modest increases, if any.

A few dealers—particularly some small- and medium-size ones—are defying the odds. Several reasons account for their unusual successes, not the least of which is increasing efforts to educate themselves about their business.

Used units are still moving reasonably well, but there are now as many minuses as pluses in the comparative sales figures.

MOTORHOMES

Though modest, both for May and year-to-date, this category still shows an upswing. Most motorhome dealers on the DAB showed a small gain over last May. The big complaint is that new competition is knocking down both sales and grosses. Profit ratings have dropped from excellent-to-good to good-to-fair. One rather large dealer reported them poor and added, "I think the good times are over."

Used units are still very much in demand in most areas; however, surplus units are available at wholesale or below in other areas.

TRAVEL TRAILERS

Travel-trailer dealers, in general, are having some trouble. More than half the DAB members who handle this RV type say they are hurting.

The DAB report for trailer sales in May shows a complete sweep of minuses. There's no single explanation for the drop. Employment is up; gasoline prices are stable; interest rates haven't risen. The only other explanation is that people don't have cars that will pull travel trailers. Many are buying motorhomes or folding trailers—or doing without.

There's a profit problem with travel trailers, too. Dealers in some areas report such strong competition that grosses have dropped back to 1969 levels ($400-$500). Professional dealers cannot survive on that kind of business.

TRUCK CAMPERS

The large percentage increase for the month reflects booming sales for our campers specialist on the DAB. The report shows what can be done with this RV type if one focuses on it.

Used units are still moving well. Profits on new and used were rated good.

CAMPING TRAILERS

After a decade of struggle, camping trailers are staging a comeback.

Some DAB members who specialize in folding camping trailers are having a banner year. It's still the same old problem for those dealers who buy a few "rag tops" to stick in with their motorhomes and travel trailers. They sell a few accidentally, but with no "heart" in it, they don't do a satisfactory job. Dealers who are doing a super sales job are also doing a super profit job.

FIFTH-WHEELS

Fivers are still doing well, especially the larger units. As with camping trailers and pickup campers, fifth-wheels are a specialized aspect of the RV business. Those dealers who have good inventories and the right approach do well.

Most of the weaker profit ratings are from dealers who just dabble in fivers. Δ

RVIA, MAY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during May 1984 was 40,000 units, up 14.0% from May of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in May 1984		May 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	7,300	7,300	0%	38,400	32,700	+17.4%
FIFTH-WHEELS	1,800	1,700	+ 5.9%	9,300	7,000	+32.9%
TRUCK CAMPERS	900	700	+28.6%	3,900	3,000	+30.0%
MULTI-USE VEHICLES	17,600	14,700	+19.7%	75,100	65,400	+14.8%
TYPE A: MOTOR-HOMES	3,900	2,800	+39.3%	19,700	12,700	+55.1%
TYPE B: VAN CAMPERS	800	400	+100.0%	3,500	2,500	+40.0%
TYPE C: MINI MOTOR-HOMES	3,500	3,100	+12.9%	17,800	12,200	+45.9%
FOLDING CAMPING TRAILERS	4,200	4,400	– 4.5%	19,400	17,900	+ 8.4%
TOTALS	40,000	35,100	+14.0%	187,100	153,400	+22.0%

RV BUSINESS

SEPTEMBER 1984 $2.00

WARRANTIES: Serving Sales On A Silver Platter

Selling The 'Other' RVs

How Secure Are RV Locks?

Previews On RV Expo '85, RVDA Convention

RV BUSINESS
A TL ENTERPRISES PUBLICATION SEPTEMBER 1984/VOL. 35, NO. 6

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ON THE COVER: Once seen as a necessary evil, product warranties are now becoming a powerful sales tool. Some industry persons now believe that, handled properly, warranties can practically hand you sales on a silver platter. See page 34 to discover what this new approach can do for your business. Photo: Paul Pribble.

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An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	121	123	– 2%	653	617	+ 6%	99	80	+24%	488	426	+15%
TRAVEL TRAILERS	105	137	–23%	560	623	–11%	108	110	– 2%	513	520	– 1%
TRUCK CAMPERS	21		– 9%	110	102	+ 8%	17	18	– 6%	126	102	+24%
CAMPING TRAILERS	195	247	–21%	1096	937	+17%	50	47	+ 6%	181	187	– 3%
FIFTH-WHEELS	39	43	– 9%	217	174	+25%	11	15	–27%	56	65	–14%

	FOR MONTH			YEAR-TO-DATE		
	MAY '84	MAY '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	$9,608,270	$8,138,187	+18%	$50,138,165	$44,917,925	+12%
TOTAL UNIT SALES	766	811	– 6%	4000	3756	+ 6%
NEW UNIT SALES	481	541	–11%	2636	2456	+ 7%
USED UNIT SALES	285	270	+ 6%	1364	1300	+ 5%

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross section of the U.S. dealer body. DAB dealerships range in size from very small (less than a million dollars in annual sales) to very large (more than $15 million in sales). Some specialize in one RV type; others offer two or more types. This report is an attempt to reflect the current retail sales picture—to show how dealers are doing. It does not purport to indicate RV production or factory sales to dealers.

RVB's Dealer Advisory Board (DAB) figures for June show that the average dealer is selling fewer units than he was last year at this time, but he's taking in more dollars.

The drop in retail sales for individual dealers does not necessarily indicate that industrywide RV sales are fewer. In fact, manufacturer shipment reports show that at the wholesale level, sales are up substantially. The obvious conclusion is that those increased shipments are going to more dealers. An unfortunate condition that exists in the RV industry is that as soon as business gets good, new dealers jump on the bandwagon; when it gets bad, they jump off just as quickly. The result is an unstable sales and profit situation. It's a condition that can be remedied only at the manufacturing level; unfortunately, the same problems exists there. As long as this condition persists, the RV industry will have an element of instability.

MOTORHOMES

DAB motorhome dealers are almost evenly divided between the ups and the downs, but '84 sales figures for new units are two short of the figures for June '83. In many cases, new dealers are hurting old dealers. Some multitype dealers who dropped motorhomes from their inventories during the lean years are back again; the cake was too tempting. More significant is the return of the auto dealer to the motorhome game. In some areas, grosses have slipped. It's going to get tougher, but a lot of motorhomes are going to be sold. Good dealers will still get their share and make good profits but, quite likely, there will be some shakeout this winter.

TRAVEL TRAILERS

Trailer dealers took it on the chin in June. More than two-thirds of the DAB dealers who stock travel trailers were down from the previous year. Even used sales were slightly off pace. Everyone is asking, "What's the matter?" No one has *the* answer. Some speculate that it is the tow rig problem. Others believe it's the increase in the number of dealers. Another reason given is that people are still catching up from the effects of the recession. Probably all of these reasons are valid and help account for the slowdown for the average dealer. One might add that some people are opting for motorhomes over trailers for two reasons: 1) The motorhome is still the glamour RV and appeals to more first-time buyers, and 2) the price difference between a motorhome and a trailer/tow rig combination has become slight.

TRUCK CAMPERS

Most of the camper sales reported for June were made by a DAB dealer who is a camper specialist whose business is booming. Profits were rated excellent. Used unit sales were good for the month and have the highest increase for any category for the year-to-date.

CAMPING TRAILERS

After one of the best starts in recent years, there is an obvious downturn in camping trailer sales. The drop from last June whittled away and the strong year-to-date increase—which still remains a healthy 17% for the DAB. Used sales were up a little for the month, but they have fallen behind for the year-to-date. Profits were rated all the way from excellent to poor. Most folding trailer specialists are doing well; those who stock only a few and do not give them much attention are having problems.

FIFTH-WHEELS

After a long string of monthly increases, fivers took a little drop in June. Year-to-date, it is still the leading category in percentage of increase. Most sales are going to those dealers who have strong departments in that type and give a strong sales effort. In June, many dealers who stock only a few got a sale or two. Profits were rated excellent to good. Δ

RVIA, JUNE

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during June 1984 was 37,100 units, up 2.2% from June of 1983.

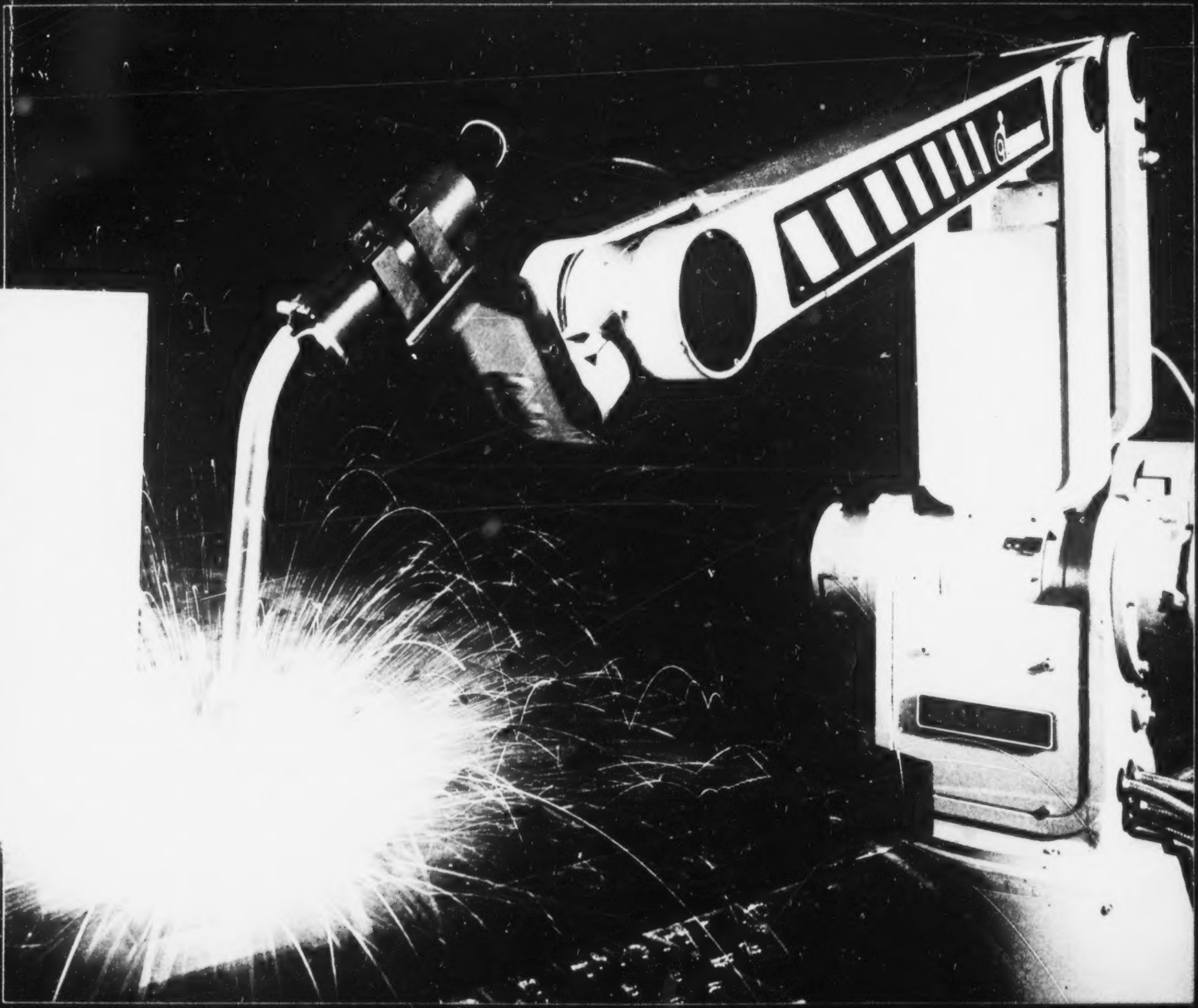
The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in June 1984		June 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	6,400	7,700	–16.9%	44,800	40,400	+ 10.9%
FIFTH-WHEELS	1,700	2,000	–15.0%	11,000	9,000	+ 22.2%
TRUCK CAMPERS	900	800	+ 12.5%	4,800	3,800	+ 26.3%
MULTI-USE VEHICLES	17,900	15,200	+ 17.8%	93,100	80,600	+ 15.4%
TYPE A: MOTOR-HOMES	3,000	3,200	– 6.3%	22,700	15,900	+ 42.8%
TYPE B: VAN CAMPERS	900	400	+ 125.0%	4,400	2,900	+ 51.7%
TYPE C: MINI MOTOR-HOMES	2,600	3,200	– 18.8%	20,400	15,400	+ 32.5%
FOLDING CAMPING TRAILERS	3,700	3,800	– 2.6%	23,100	21,700	+ 6.5%
TOTALS	37,100	36,300	+ 2.2%	224,200	189,700	+ 18.2%

RV BUSINESS

OCTOBER 1984 $2.00

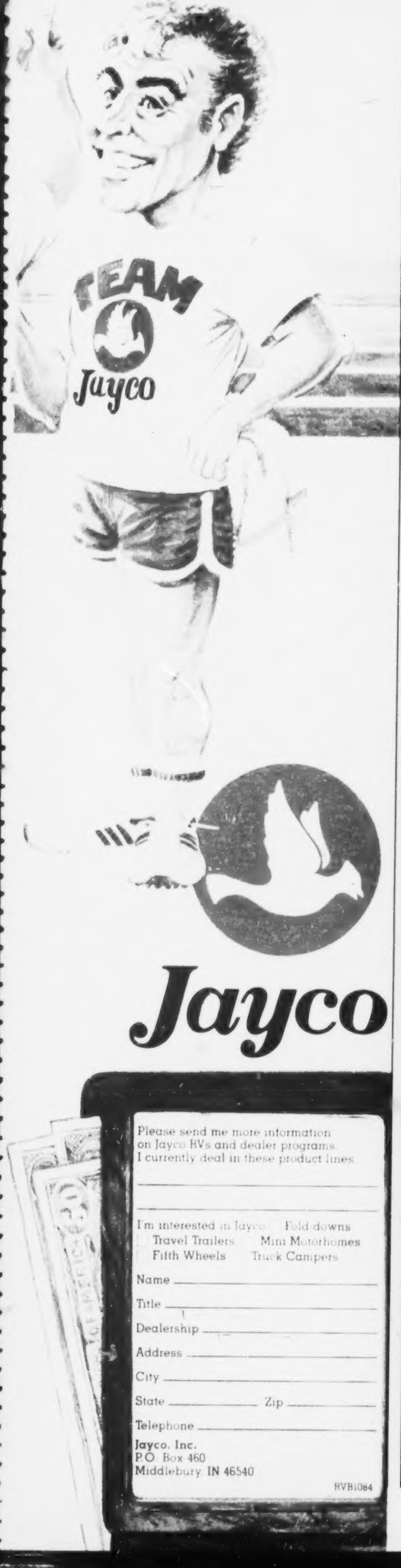
HERE COME THE ROBOTS, READY OR NOT



Micro-Minis Prove Smaller Is Better

Making The Computer Write-Off Work

Complete Dodger Show Preview: Floorplans, Listings



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RV BUSINESS

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OCTOBER 1984/VOL. 35, NO. 7

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ON THE COVER: No longer just a sci-fi vision, the robot world is upon us. But is the RV industry ready to put those humanlike machines into place on the production lines? The answer, and even more questions, begins on page 50. Photo courtesy of Automatix Incorporated.

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	JULY '84	JULY '83	% CHANGE	1984	1983	% CHANGE	JULY '84	JULY '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	98	107	– 8%	747	710	+ 5%	79	75	+ 5%	549	490	+12%
TRAVEL TRAILERS	117	100	+ 17	663	701	– 5%	86	88	– 2%	558	590	–11%
TRUCK CAMPERS	22	16	+38%	126	106	+19%	22	25	–12%	136	117	+16%
CAMPING TRAILERS	183	187	– 2%	1,270	1,008	+26%	42	36	+17%	216	193	+12%
FIFTH-WHEELS	39	27	+44%	252	189	+33%	14	8	+43%	68	72	– 6%

	FOR MONTH			YEAR-TO-DATE		
	JULY '84	JULY '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	$8,773,248	$7,899,480	+11%	$58,478,696	$51,321,497	+14%
TOTAL UNIT SALES	702	669	+ 5%	4,555	4,176	+ 9%
NEW UNIT SALES	459	437	+ 5%	3,058	2,714	+13%
USED UNIT SALES	243	232	+ 5%	1,497	1,462	+ 2%

July was a mixed bag for the Dealer Advisory Board (DAB). Some dealers were markedly down from last July while others set new records. RV types that had been in the forefront in sales this year suddenly fell into the minus columns while types that had been showing signs of lethargy suddenly picked up. Used units moved at a rate slightly ahead of last year.

Year-to-date, the figures are still impressive. Travel trailers are running at a slightly slower pace than last year. Motorhomes and camping trailers dropped into the minus columns for the month, but both are still ahead of last year. And fifth-wheels are doing exceptionally well for our DAB dealers.

As might be expected at this time of the year, close-outs have caused grosses to drop. Consequently, profit ratings generally are lower than at any time this year. Even used units, which have been running from good to excellent all year, have some ratings in the fair or poor columns.

Overall, dealers seem to be doing quite well. It isn't quite the gravy train that it was a year ago, but things are still on track.

MOTORHOMES

For the first time in almost two years, the DAB shows a minus in new unit sales for a month. However, an exceptionally poor month for one large motorhome dealer accounts for the drop. The actual picture for the average dealer is still reasonably good. With all the new competition, it is remarkable that most have been able to more than hold their own. Used units are still much in demand, although prices have dropped. Abnormally high grosses aren't as easy as they were a year ago. It is becoming a more stable market, but still a very profitable one. Profits were rated good.

TRAVEL TRAILERS

After several months of minuses, this category has again jumped into the plus column in new unit sales, although some DAB memebers are still running well behind last year. Though the majority of our members are off the mark, a few dealers seem to be in the right place at the right time with the right merchandise and are doing exceptionally well. There doesn't seem to be any particular rhyme or reason to the thing. Used trailers aren't doing well for some dealers. The fact that sales are off 11 percent year-to-date suggests that the boom is fizzling somewhat. Profits on new units are generally rated fair to good, but used ranged from good to excellent. The units that are sold bring good prices.

TRUCK CAMPERS

The upsurge in new unit sales of this RV type is attributable largely to one camper specialist who had a field day in July. Other dealers on the DAB, all of whom stock truck campers only modestly, fared about as usual. Profit ratings ranged from poor to excellent, about equally divided among the columns.

CAMPING TRAILERS

For the first time this year, new units fell into the minus column. Down 2 percent isn't much, but for a type that has been doing exceptionally well to fall at all is unusual this year. In spite of the overall drop, some folding trailer specialists are having a field day. Others can't understand why they aren't. As with truck campers, profit ratings range all the way from poor to excellent. Dealers who are selling the most have the highest grosses.

FIFTH-WHEELS

The percentage increases for the month are exceptionally good. Two members of the DAB who specialize in fivers had an excellent July. Nothing could be more obvious than the fact that if you specialize and do the job right, you get results. Profits were rated about equally from fair to excellent. As with camping trailers, those two dealers who sell the most had the best profits. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

WDA QUARTERLY SALES FIGURES

RV Business publishes a quarterly report of sales statistics from the Warehouse Distributors Association. The chart shown here is based upon a representative sampling of WDA members, as compiled in the second quarter of 1984. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	SECOND-QUARTER SALES VOLUME	
	PERCENT CHANGE 1983 to 1984	RANGE OF CHANGE
REGION 1	+6.4%	+19.1% to −2.7%
REGION 2	+46.1%	+68.3% to −6.8%
REGION 3	+23.8%	+49.5% to +14.4%
REGION 4	+ 3.3%	+62.8% to −181.5%
REGION 5	+12.6%	+68.6% to −10.2%
REGION 6	+15.4%	+70.7% to +9.6%

Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.

RVIA, JULY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during July 1984 was 31,000 units, up 9.0% from July of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in July 1984		July 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	6,200	6,300	− 1.6%	51,100	46,700	+ 9.2%
FIFTH-WHEELS	1,600	1,600	-0-	12,600	10,600	+18.9%
TRUCK CAMPERS	700	700	-0-	5,500	4,500	+22.2%
MULTI-USE VEHICLES	14,600	12,300	+18.7%	107,600	92,900	+15.8%
TYPE A: MOTOR-HOMES	2,800	2,700	+ 3.7%	25,500	18,600	+37.1%
TYPE B: VAN CAMPERS	500	300	+66.7%	4,900	3,200	+53.1%
TYPE C: MINI MOTOR-HOMES	2,300	2,600	−11.5%	22,700	18,000	+26.1%
FOLDING CAMPING TRAILERS	3,700	2,300	+17.4%	25,800	24,000	+ 7.5%
TOTALS	31,400	28,800	+ 9.0%	255,600	218,500	+17.0%